

LYON COUNTY SCHOOL DISTRICT

***FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION***

**Fiscal Year Ended
June 30, 2020**



**SILVA, SCEIRINE
& ASSOCIATES, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

LYON COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Lyon County School District
Yerington, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lyon County School District, Yerington, Nevada (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Lyon County School District as of June 30, 2020, and the respective changes in its financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Special Education Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-14; the Schedule of Changes in Net Other Postemployment Benefits Liability on page 66; and the schedules related to pension information on pages 67-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior Year Partial Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2019 and have issued our report thereon dated February 14, 2020, which expressed a qualified opinion on the respective financial statements of the governmental activities; an unmodified opinion on each major fund; and a qualified opinion on the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2019 is consistent with the audited financial statements from which it has been derived.

The nonmajor combining and individual fund financial statements and schedules related to the 2019 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Silva Sciarine & Assoc, LLC

Reno, Nevada

January 19, 2021



LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

This section of the Lyon County School District's annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2020. We encourage readers to read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position (deficit) increased by \$2.5 million for FY20, which followed an increase of \$6.5 million in FY19 and \$3.3 million in FY18.
- The District's governmental funds increased by \$16.7 million in FY20, compared to an increase of \$2.4 million in FY19 and a decrease of \$3.1 million in FY18. Of the FY20 increase of \$16.7 million, \$15.2 million is attributable to proceeds realized from the sale of bonds during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Lyon County School District's basic financial statements. The basic financial statements are comprised of the district-wide (sometimes referred to as "government-wide") financial statements, fund financial statements and schedules, and notes to the financial statements.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In many government entities, the government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges by reporting them as business-type activities. Because the District has no functions in this category, the entire statement represents governmental activities.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements described above. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. To provide a better understanding of the relationship between the fund statements and district-wide statements, both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations between the two statement types.

The focus of the governmental fund statements is on major funds. The District has fifteen individual governmental funds of which the General, Special Education, Debt Service and Bond Projects funds are considered major. These funds are disclosed separately in the fund balance sheet and fund statement of revenues, expenditures and changes in fund balances. The remaining twelve funds are reported in combining statements in the supplementary information section of this report.

The District adopts an annual budget for all its governmental funds. Budgetary comparison statements for the General and Special Education funds have been included in the basic financial statements to demonstrate compliance with the adopted budgets.

Proprietary Funds – Proprietary funds are comprised of enterprise funds and internal service funds. As reported previously, the District has no business-type activities to be accounted for in enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the District's various programs and functions. The District uses three internal service funds to account for the cost of self-insuring employees' health care, industrial injuries, and unemployment benefits. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining statements in the supplementary information section of this report.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Fiduciary Funds – Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others and are not reflected in the district-wide financial statements. The District's two fiduciary funds are the Student Scholarship Fund, a private-purpose trust fund, and the Student Activity Accounts, an agency fund.

Notes to Financial Statements

The notes provide additional information that is necessary for a full understanding of the data provided in the district-wide and fund financial statements.

Supplementary Information

Supplementary information includes *required supplementary information* pertaining to the District's participation in Nevada PERS and information related to postemployment benefits (OPEB). In addition, the District provides combining and individual fund statements and schedules, and budget to actual comparisons, which comprise its supplementary information which is other than required.

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position (deficit) may serve over time as one useful indicator of a government's financial condition. The net position (deficit) includes the District's investment in capital assets less related outstanding debt that was issued to acquire the capital assets. As the District uses these capital assets to provide services to students, they are not available for future spending. As of June 30, 2020, the District's net investment in capital assets was \$68.8 million. Total net position (deficit) includes \$7.1 million restricted for servicing long-term debt; \$4.6 million restricted for capital projects that will not be paid through the use of the bond proceeds in the Bond Projects Fund, and \$2.1 million for employee benefit (insurance) programs.

As discussed in prior years' MD&A, a view can be held that the negative net position can be attributed to the recording of a net pension liability and other postemployment benefits liability, as required by GASB Statements 68 and 75, respectively. Those liabilities and their related deferred outflows and inflows totaled \$103.3 million at year end.

Following is a summary of the District's net position (deficit) as of June 30, 2020 and 2019:

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

DISTRICT'S NET POSITION (DEFICIT)				
	2020	2019	Change	
			\$	%
	<i>(In Millions)</i>			
Assets				
Current assets	\$ 46.7	\$ 32.8	\$ 13.9	42.4%
Net capital assets	117.2	117.9	(0.7)	-0.6%
Total Assets	163.9	150.7	13.2	8.8%
Deferred Outflows	18.9	19.1	(0.2)	-1.0%
Liabilities				
Current liabilities	16.8	12.1	4.7	38.8%
Long-term liabilities	169.0	166.2	2.8	1.7%
Total Liabilities	185.8	178.3	7.5	4.2%
Deferred Inflows	10.3	7.2	3.1	43.1%
Net Position (Deficit)				
Net investment in capital assets	68.8	66.5	2.3	3.5%
Restricted	13.8	11.3	2.5	22.1%
Unrestricted	(95.9)	(93.5)	(2.4)	-2.6%
Total Net Position (Deficit)	\$ (13.3)	\$ (15.7)	2.4	15.3%

As mentioned, a case could be made that the largest impact on the District's financial statement in 2020 had no impact on the District's financial condition; GASB 75 and GASB 68 (as amended by GASB 82) require governments to recognize a net pension and net OPEB liability and their related deferrals, netting to \$103.3 million. As discussed below, users of this financial statement may gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pension and OPEB. The resulting net position would be \$90.0 million.

GASB statements are national and apply to all governmental financial reports which are prepared in accordance with generally accepted accounting principles. Under the standards required by GASB 68 and GASB 75, the pension and OPEB liability equals the District's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay benefits.

GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government – part of a bargained-for-benefit to the employee, and should accordingly be reported by

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Nevada, the employee shares the obligation of funding pension benefits with the employer. Contribution rates are established by State statute. Nevada's Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. There is no legal means to enforce the unfunded liability of the pension and OPEB systems against the public employer.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences, are satisfied through paid time-off or payments upon employees' termination from service. There is no repayment schedule for the pension and OPEB liabilities. Changes in pension and OPEB, contribution rates, and return on investments affect the balance of the pension and OPEB liability, but are outside the control of the participating local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension and OPEB payments, State statute does not assign or identify the responsible party for the unfunded portion. In accordance with GASB 68 and GASB 75, the District's government-wide statements prepared on the accrual basis of accounting include an annual pension and OPEB expense for its proportionate share of each plan's change in net pension liability and OPEB liability not accounted for as deferred inflows or outflows.

For the sixth consecutive year, revenues increased – this year by over \$4.5 million, or 4.25%. This increase was lead primarily by a 9% increase in both property taxes as well as the local school support taxes (sales taxes).

To further understand what makes up the changes in net position for the current and previous years, the following table provides details of the District's activities.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

DISTRICT'S CHANGES IN NET POSITION		
	Governmental Activities	
	2020	2019
	<i>(In Millions)</i>	
Revenues		
Program Revenues:		
Charges for services	\$ 0.5	\$ 0.8
Grants and contributions	20.8	16.1
General Revenues:		
Property taxes	19.4	17.8
Local school support taxes	12.5	11.5
Government service taxes	2.9	3.0
Unrestricted State aid	52.0	54.7
Other revenues	1.5	1.2
Total Revenues	109.6	105.1
Expenses		
Instructional services	57.5	52.6
Support services	39.2	36.8
Food service and other	3.9	3.9
Facilities acquisitions and construction	4.6	3.5
Interest on long-term debt	1.9	1.8
Total Expenses	107.1	98.6
Change in Net Position	\$ 2.5	\$ 6.5

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds (General Fund, special revenue funds, the Debt Service Fund, and the capital projects funds) reported a June 30, 2020 fund balance of \$34.7 million, an increase of \$16.7 million from the June 30, 2019 fund balance of \$18.0 million. The governmental fund balance includes \$7.1 million which is considered restricted for debt service and \$18.1 million restricted for capital projects. In addition, \$179 thousand in inventories are deemed to be the nonspendable component of fund balance. The remaining governmental fund balance is either assigned (\$2.9 million) or unassigned (\$6.4 million).

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

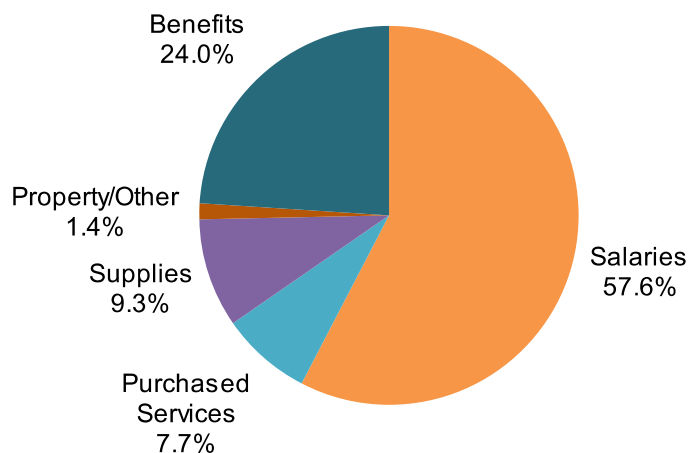
JUNE 30, 2020

The General Fund and the nine special revenue funds account for Lyon County School District's current operating revenues and expenditures. They include all governmental funds (except debt service and capital projects funds.) The following chart compares the revenues to expenditures and fund balance for these funds for the most recent five-year period.

	2016	2017	2018	2019	2020
	<i>(In Millions)</i>				
Revenues	\$83.9	\$88.2	\$91.1	\$95.7	\$99.2
Expenditures	84.1	87.2	93.4	93.2	97.5
Fund Balances	6.7	7.7	5.4	7.9	9.5

Education is labor intensive as evidenced by the following graphic of expenditures by object group. Salaries and benefits for the General Fund and the special revenue funds approximated 82% of the funds' total expenditures for the fiscal years ended June 30, 2020 and 2019. The chart below shows the composition of expenditures in the General Fund and the special revenue funds for FY20:

EXPENDITURES IN THE GENERAL AND SPECIAL REVENUE FUNDS



The Debt Service Fund's balance of \$7.1 million as of June 30, 2020 is approximately 115% of the debt service requirement for the FY ending June 30, 2021, compared to 75% last year. The fund's balance of \$7.1 million in addition to the budgeted revenues for FY21 of \$8.9 million are sufficient to cover the FY21 debt service requirement (principal and interest payments) of \$8.3 million. (The aforementioned FY21 debt service requirement is exclusive of the annual amortization of bond premiums, scheduled to be \$459 thousand.)

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

The District has four capital projects funds, including the Bonds Projects Fund, a major fund, which is used to account for proceeds of bond sales; related interest earnings and capital expenditures. During the year, \$2.7 million was spent from this fund in accordance with the District's Capital Improvement Plan. The June 30, 2020 fund balance of \$13.5 million is restricted for future capital expenditures.

The other three capital projects funds are used to accumulate resources, primarily Governmental Services Tax (62% of the funds' revenues) and the Residential Construction Tax (36% of the funds' revenues) for major capital acquisitions and improvements not part of the capital budgets related to bond issues.

The capital projects funds' (exclusive of the Bond Projects Fund) had expenditures of \$560 thousand during the year, leaving a combined fund balance of \$4.6 million as of June 30, 2020, compared to \$3.7 million at the end of the previous year.

BUDGETARY HIGHLIGHTS

School districts in Nevada are funded in large part by state support derived from student enrollment at the end of the first school month. (However, see *Economic Factors and Next Year's Budget* for changes.) State statutes require all school districts to amend their general fund budgets after "count day" enrollment is known. Lyon County School District takes this opportunity to incorporate other adjustments, such as revising the fund balance carryover. During the year, the Director of Business Services is authorized to transfer appropriations between accounts and funds, subject to subsequent approval by the Board of Trustees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of June 30, 2020 and 2019 are as follows:

Capital Assets (Net of Depreciation)		
	2020	2019
	(In Millions)	
Land	\$ 8.8	\$ 8.8
Construction in progress	1.6	-
Buildings and improvements	86.8	88.5
Infrastructure	12.1	12.7
Equipment and vehicles	7.9	7.9
	<u>\$ 117.2</u>	<u>\$ 117.9</u>

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Long-term Debt

As of June 30, 2020, the District had \$59.2 million of general obligation bonded debt outstanding, plus \$4.2 million in unamortized bond premiums which are being amortized over the lives of the applicable bond issues.

A question on the November 2006 general election was passed by the voters, allowing the District to issue general obligation bonds through November 2016. Senate Bill 207 of the 2015 Nevada Legislature extended the expiration date of the District's general obligation bonds through November 2026. The bonds may only be issued if repayment is expected to be made without raising the property tax rate and other financial conditions are met. Further, issuance of bonds is conditional upon the approval of the Debt Management Commission of Lyon County. Currently, the District has no authorization from the Commission to issue general obligation bonds. The District reserves the right to issue additional bonds at any time legal requirements are met. As of June 30, 2020, the District had \$250.3 million of statutory debt limit available. However, other factors such as overlapping tax rates, available revenues, market conditions and project specifications could reduce the availability.

In addition to the District's general obligation bonded debt, the District's other debt includes \$1.6 million for compensated absences; \$100 million in net pension liability, and \$10.4 million for OPEB.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment and Funding

Nevada's school districts are funded primarily through the Nevada State Distributive School Account (DSA), property taxes, and local school support taxes. Changes in any of the economic or other factors that affect these funding sources will affect the level of support received for a given year.

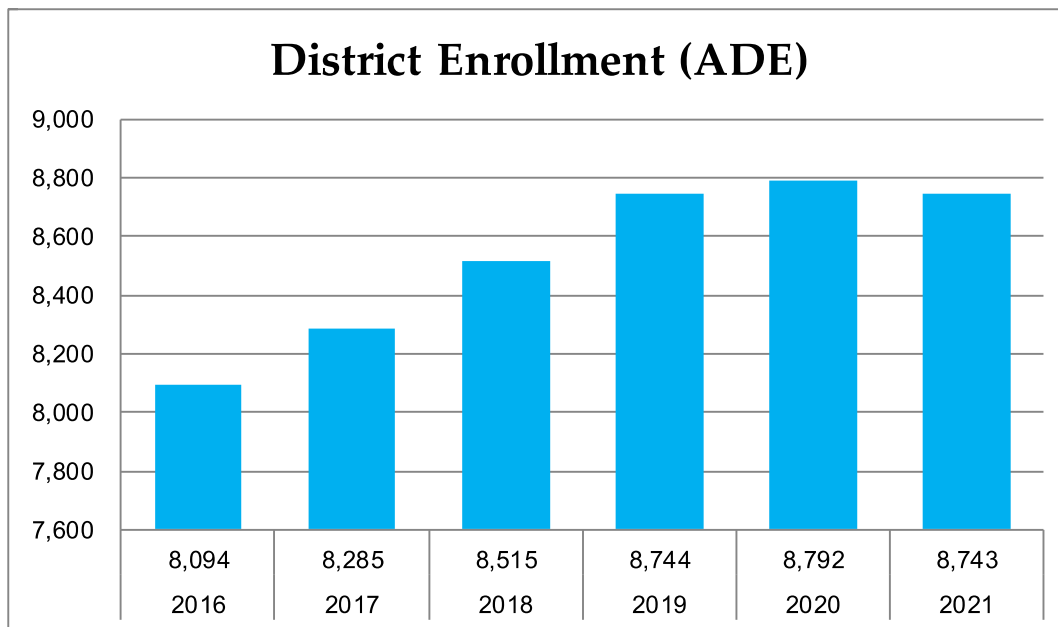
Nevada's school districts are highly dependent on the economic condition of the State. Nevada's formula for school district funding guarantees the majority of operating revenue by making up any shortfall in ad valorem or LSST collections. One of the factors determining the amount of DSA funding received is the weighted student enrollment within the District. The State's funding model utilizes a quarterly average daily enrollment (ADE) number multiplied by the districts' per-pupil support amount to determine the districts' Guaranteed Basic Support amount. Total funding is trued up quarterly with the YTD total ADE. The formula weights pre-kindergarten (pre-k) students at 0.6, while kindergarten through twelfth grades are given a weight of 1.0.

The following chart presents the District's pupil enrollment (ADE) for 2016 through 2021:

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020



The District's per-pupil support rate for FY20 was established at \$7,724, compared to FY19's of \$7,513, an increase of 2.8%. The per-pupil support rate for FY21 of \$7,836 represents an increase of 1.5% over the FY20 rate of \$7,724.

In previous years, the "hold harmless" provisions of the DSA formula protected districts during times of declining enrollment, by providing that the guaranteed level of funding was based on the higher of the current or the previous year's enrollment (unless the decline in enrollment was more than 5%, in which case the funding was based on the higher of the current or the previous two year's enrollment). Now, Districts will only qualify for "hold-harmless" status if their enrollment decreased by more than 5%, and it will only then look to the previous year's ADE.

During the 2019 State Legislature, Senate Bill 543 was passed to provide the framework for a new funding methodology for Nevada's public schools, to be fully implemented starting in FY22. Districts whose funding is "harmed" by the changes incorporated in the new funding model are to be "held harmless" at their total level of funding in FY19, but what "total" funding is exactly has yet to be determined.

Clearly, the DSA formula will continue to be subject to review and potential revisions. As such, there is a high likelihood that the District will continue to be impacted in some manner by future amendments to the funding model. The District is diligent in its on-going evaluation of its staffing levels relative to State guaranteed funding, Federal grant programs, pupil enrollment levels, and other costs, with the goal of ensuring continuity and stability of its educational programs.

LYON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Information Technology Infrastructure

The District operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to District systems, data or resources, inappropriate exposure or use of District information, disruption of District services, and damage to District systems.

In order to help prevent future cybersecurity incidents, the District has implemented new password procedures and has incorporated new software and hardware to strengthen its defense against future cybersecurity threats. All third-party devices are now required to have District approved anti-virus software. The District has implemented an additional, redundant, daily off-site back-up feature to preserve its information. No amount of defensive measures can prevent all cybersecurity attacks or the resultant disruptions and costs. To that end, the District will maintain its cyber-liability insurance. In the event a future cybersecurity incident occurs that disrupts the District's daily business operations, it is not expected to impact the District's ability to make bond debt service payments as those processes are handled independently of the District's systems.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Lyon County School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller's Office, 25 East Goldfield Avenue, Yerington, Nevada, 89447.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 38,515,263
Receivables	7,425,550
Inventories	179,152
Restricted cash	585,000
Capital assets not being depreciated	10,404,911
Capital assets, net of accumulated depreciation	106,860,508
Total Assets	163,970,384
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	1,352,283
Deferred outflows related to pensions and OPEB	17,509,411
	18,861,694
Total Assets and Deferred Outflows of Resources	182,832,078
LIABILITIES	
Accounts payable	1,618,803
Accrued liabilities	5,182,176
Incurred but unreported claims	2,251,000
Unearned revenues	1,150,258
Noncurrent liabilities:	
Due within one year	6,637,801
Due in more than one year	58,456,465
Obligation for other postemployment benefits	10,402,243
Net pension liability	100,095,295
Total Liabilities	185,794,041
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	10,328,361
Total Liabilities and Deferred Inflows	196,122,402
NET POSITION (DEFICIT)	
Net investment in capital assets	68,789,432
Restricted for:	
Debt service	7,124,464
Employee benefit programs	2,068,409
Capital projects	4,628,766
Unrestricted	(95,901,395)
Total Net Position (Deficit)	\$ (13,290,324)

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

PROGRAMS / FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS OPERATING CAPITAL	
Instruction	\$ (57,552,028)	\$ -	\$ 10,389,042	\$ -
Support Services	(39,197,561)	-	7,219,503	-
Facilities Acquisition and Construction	(4,643,121)	-	-	66,533
Food Service and Community Services	(3,873,326)	507,615	3,082,108	-
Interest and other costs of long-term debt	(1,903,251)	-	-	-
	<u>\$ (107,169,287)</u>	<u>\$ 507,615</u>	<u>\$ 20,690,653</u>	<u>\$ 66,533</u>
General Revenues:				
Property taxes				19,389,745
Local school support taxes				12,519,536
Governmental services tax				2,936,004
Earnings on investments				479,603
Other local sources				1,047,894
State aid not restricted to specific purpose				51,994,511
Total General Revenues				<u>88,367,293</u>
Change in Net Position (Deficit)				2,462,807
NET POSITION (DEFICIT), July 1, 2019				<u>(15,753,131)</u>
NET POSITION (DEFICIT), June 30, 2020				\$ (13,290,324)

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2019)

Page 1 of 2

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BONDS PROJECTS FUND
ASSETS				
Cash and investments	\$ 7,749,581	\$ 977,697	\$ 7,042,119	\$ 13,652,675
Receivables	2,696,803	15,237	167,312	-
Due from other funds	2,466,076	-	-	-
Inventories	153,152	-	-	-
Total Assets	<u>\$ 13,065,612</u>	<u>\$ 992,934</u>	<u>\$ 7,209,431</u>	<u>\$ 13,652,675</u>
LIABILITIES				
Accounts payable	\$ 1,156,458	\$ 2,142	\$ -	\$ 168,376
Accrued payroll	3,228,613	973,660	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	84,967	-
Total Liabilities	<u>4,385,071</u>	<u>975,802</u>	<u>84,967</u>	<u>168,376</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	153,152	-	-	-
Restricted	-	-	7,124,464	13,484,299
Assigned	2,107,118	17,132	-	-
Unassigned	6,420,271	-	-	-
Total Fund Balances	<u>8,680,541</u>	<u>17,132</u>	<u>7,124,464</u>	<u>13,484,299</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 13,065,612</u>	<u>\$ 992,934</u>	<u>\$ 7,209,431</u>	<u>\$ 13,652,675</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2019)

Page 2 of 2

	OTHER GOVERNMENTAL FUNDS	TOTALS	
		2020	2019
ASSETS			
Cash and investments	\$ 5,358,647	\$ 34,780,719	\$ 18,409,724
Receivables	4,531,472	7,410,824	10,032,919
Due from other funds	-	2,466,076	1,497,092
Inventories	26,000	179,152	147,846
Total Assets	<u>\$ 9,916,119</u>	<u>\$ 44,836,771</u>	<u>\$ 30,087,581</u>
LIABILITIES			
Accounts payable	\$ 276,965	\$ 1,603,941	\$ 806,295
Accrued payroll	676,055	4,878,328	9,151,654
Due to other funds	2,466,076	2,466,076	1,497,092
Unearned revenue	1,065,291	1,150,258	450,581
Total Liabilities	<u>4,484,387</u>	<u>10,098,603</u>	<u>11,905,622</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	193,600
FUND BALANCES			
Nonspendable	26,000	179,152	147,846
Restricted	4,628,766	25,237,529	10,204,922
Assigned	776,966	2,901,216	5,000,665
Unassigned	-	6,420,271	2,634,926
Total Fund Balances	<u>5,431,732</u>	<u>34,738,168</u>	<u>17,988,359</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,916,119</u>	<u>\$ 44,836,771</u>	<u>\$ 30,087,581</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2020

Total Fund Balance - Governmental Funds	\$ 34,738,168
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not current financial resources and therefore not reported as governmental fund assets.	117,265,419
General obligation bonds are not reported as fund liabilities since they will not be paid with current resources.	(59,248,000)
Premiums related to long-term debt are not capitalized and amortized in the fund statements since they do not represent available resources.	(4,232,946)
Unamortized amounts on refundings are not recognized in the funds.	1,352,283
The liability for interest on general obligation bonds is reported in the fund statements when due and as accrued in the statement of activities.	(303,848)
The liability for estimated future payments of benefits to be provided to current and future retirees is not due and payable in the current period; therefore, the liability and related deferred amounts are not reported in the funds.	(11,444,945)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred amounts are not reported in the funds.	(93,484,864)
Internal service funds are used to account for various employee benefit programs. The assets and liabilities of the internal service funds are included with governmental activities.	<u>2,068,409</u>
Total Net Position (Deficit) - Governmental Activities	<u>\$ (13,290,324)</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

Page 1 of 2

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	BONDS PROJECTS FUND
REVENUES				
Local sources	\$ 25,956,051	\$ -	\$ 8,883,786	\$ 83,628
State sources	51,994,511	4,161,770	-	-
Federal sources	170,050	-	-	-
Total Revenues	78,120,612	4,161,770	8,883,786	83,628
EXPENDITURES				
Regular programs	31,279,621	-	-	-
Special programs	268,869	8,937,916	-	-
Vocational programs	1,485,442	-	-	-
Adult instruction	7,213	-	-	-
Other instructional programs	1,955,260	-	-	-
Extra-curricular activities	1,432,972	-	-	-
Support services:				
Student support	3,121,961	2,773,986	-	-
Instructional staff support	1,702,952	5,239	-	-
General administration	2,034,643	252,237	-	144,968
School administration	7,637,162	-	-	-
Central services	5,010,669	-	-	-
Operations and maintenance	8,223,254	-	-	-
Student transportation	3,612,519	692,695	-	-
Noninstructional services:				
Food service	-	-	-	-
Community service	-	-	-	-
Facilities acquisition and construction	-	-	-	2,508,965
Debt service:				
Principal	-	-	5,370,000	-
Interest	-	-	1,850,379	-
Other	-	-	148,097	-
Total Expenditures	67,772,537	12,662,073	7,368,476	2,653,933
Revenues Over (Under) Expenditures	10,348,075	(8,500,303)	1,515,310	(2,570,305)
OTHER FINANCING SOURCES (USES)				
Proceeds from refunding bonds	-	-	8,155,000	-
Proceeds from bond sales	-	-	-	15,013,000
Bond premium	-	-	1,295,267	-
Payments to refunded bond escrow agent	-	-	(9,265,000)	-
Transfers (to) from other funds	(8,475,000)	8,475,000	-	-
Total Other Financing Sources (Uses)	(8,475,000)	8,475,000	185,267	15,013,000
Net Change in Fund Balances	1,873,075	(25,303)	1,700,577	12,442,695
FUND BALANCE, July 1	6,807,466	42,435	5,423,887	1,041,604
FUND BALANCE, June 30	\$ 8,680,541	\$ 17,132	\$ 7,124,464	\$ 13,484,299

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

Page 2 of 2

	OTHER GOVERNMENTAL FUNDS	TOTALS	
		2020	2019
REVENUES			
Local sources	\$ 1,965,373	\$ 36,888,838	\$ 34,321,635
State sources	8,653,818	64,810,099	60,616,171
Federal sources	7,763,107	7,933,157	10,220,853
Total Revenues	18,382,298	109,632,094	105,158,659
EXPENDITURES			
Regular programs	6,537,866	37,817,487	35,637,011
Special programs	2,696,968	11,903,753	11,733,649
Vocational programs	231,082	1,716,524	1,776,599
Adult instruction	202,490	209,703	188,518
Other instructional programs	111,400	2,066,660	2,280,354
Extra-curricular activities	-	1,432,972	1,733,915
Support services:			
Student support	1,752,800	7,648,747	7,143,492
Instructional staff support	1,133,834	2,842,025	2,430,887
General administration	179,780	2,611,628	2,275,180
School administration	-	7,637,162	7,322,496
Central services	245,672	5,256,341	4,694,663
Operations and maintenance	1,110	8,224,364	8,010,299
Student transportation	126,117	4,431,331	4,074,369
Noninstructional services:			
Food service	3,752,840	3,752,840	3,888,413
Community service	85,742	85,742	118,815
Facilities acquisition and construction	565,832	3,074,797	2,080,527
Debt service:			
Principal	-	5,370,000	5,421,000
Interest	-	1,850,379	1,954,709
Other	-	148,097	5,600
Total Expenditures	17,623,533	108,080,552	102,770,496
Revenues Over (Under) Expenditures	758,765	1,551,542	2,388,163
OTHER FINANCING SOURCES (USES)			
Proceeds from refunding bonds	-	8,155,000	-
Proceeds from bond sales	-	15,013,000	-
Bond premium	-	1,295,267	-
Payments to refunded bond escrow agent	-	(9,265,000)	-
Transfers (to) from other funds	-	-	-
Total Other Financing Sources (Uses)	-	15,198,267	-
Net Change in Fund Balances	758,765	16,749,809	2,388,163
FUND BALANCE, July 1	4,672,967	17,988,359	15,600,196
FUND BALANCE, June 30	\$ 5,431,732	\$ 34,738,168	\$ 17,988,359

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Governmental Funds	\$ 16,749,809
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are reported in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	(679,074)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(70,979)
Issuance of new debt is a resource in the governmental funds, while the repayment of the principal consumes governmental resources. The net effect of these transactions is deferred and amortized in the Statement of	(23,168,000)
Bond premiums realized when debt is incurred are recognized in the funds; however, they are deferred in the district-wide statements and recognized over the term of the associated debt.	(908,386)
Change in pension expense related to deferred items.	(2,635,459)
Any gain or loss on certain advance refundings of long-term debt are recognized currently in the fund statements. The gain or loss is deferred in the statement of net position and amortized as interest expense over the life of the debt in the statement of activities.	(220,677)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	14,635,000
The change in the long-term portion of compensated absences is reported in the Statement of Activities. These do not require the use of current financial resources and therefore are not reported as expenditures in governmental	(163,406)
The full cost of postemployment benefits to current employees earned during the current year and the amortization of the past cost is recognized as an expense in the statement of activities while only the current contributions are reported in the fund statements.	(291,345)
Internal service funds are used by the District to charge the costs of employee benefit programs to the individual funds. The net income (loss) of the internal service funds are reported with governmental activities.	<u>(784,676)</u>
Change in Net Position (Deficit)	<u>\$ 2,462,809</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Property taxes	\$ 10,585,228	\$ 10,585,228	\$ 10,879,262	\$ 294,034	\$ 10,011,225
Sales taxes	11,891,124	11,871,124	12,519,536	648,412	11,502,563
Franchise fees	150,000	150,000	318,157	168,157	259,256
Government services tax	2,201,794	2,201,794	2,111,065	(90,729)	2,142,285
Earnings on investments	15,000	15,000	6,742	(8,258)	28,260
Other local revenue	30,000	50,000	121,289	71,289	94,203
	<u>24,873,146</u>	<u>24,873,146</u>	<u>25,956,051</u>	<u>1,082,905</u>	<u>24,037,792</u>
State Sources:					
Distributive School Fund	51,910,294	52,271,965	51,994,511	(277,454)	50,893,145
Federal Sources:					
E-Rate funds	462,000	462,000	66,533	(395,467)	863,588
Forest Service	25,000	25,000	103,517	78,517	110,427
	<u>487,000</u>	<u>487,000</u>	<u>170,050</u>	<u>(316,950)</u>	<u>974,015</u>
Total Revenue	<u>77,270,440</u>	<u>77,632,111</u>	<u>78,120,612</u>	<u>488,501</u>	<u>75,904,952</u>
EXPENDITURES					
Regular Programs:					
Instruction:					
Salaries	20,918,550	21,818,810	20,390,402	1,428,408	20,085,205
Benefits	8,763,113	9,079,099	9,683,536	(604,437)	8,315,343
Purchased services	239,118	248,682	185,293	63,389	218,494
Supplies	2,188,994	1,976,554	1,014,320	962,234	1,794,735
Other	7,070	7,353	6,070	1,283	7,142
Total Regular Programs	<u>32,116,845</u>	<u>33,130,498</u>	<u>31,279,621</u>	<u>1,850,877</u>	<u>30,420,919</u>
Special Programs (Gifted and Talented):					
Salaries	194,591	199,942	189,184	10,758	125,095
Benefits	77,676	79,812	79,685	127	51,853
Total Special Programs	<u>272,267</u>	<u>279,754</u>	<u>268,869</u>	<u>10,885</u>	<u>176,948</u>

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational Programs:					
Salaries	\$ 1,084,071	\$ 1,103,883	\$ 967,179	\$ 136,704	\$ 953,468
Benefits	445,633	452,888	408,915	43,973	395,077
Purchased services	37,370	38,865	15,028	23,837	28,870
Supplies	79,790	97,982	93,238	4,744	89,484
Other	1,224	1,273	1,082	191	944
Total Vocational Programs	1,648,088	1,694,891	1,485,442	209,449	1,467,843
Other Instructional Programs:					
Salaries	1,273,792	1,458,821	1,380,194	78,627	1,256,049
Benefits	519,194	593,471	572,549	20,922	535,541
Purchased services	31,310	17,562	-	17,562	1,996
Supplies	17,675	13,382	2,517	10,865	2,778
Total Other Instructional Programs	1,841,970	2,083,236	1,955,260	127,976	1,796,364
Adult Education:					
Salaries	22,950	23,581	418	23,163	-
Benefits	5,133	5,274	-	5,274	-
Purchased services	12,120	12,605	4,830	7,775	-
Supplies	12,120	12,605	1,965	10,640	-
Total Adult Education	52,323	54,065	7,213	46,852	-
Extra-Curricular Activities:					
Co-Curricular:					
Salaries	300,900	274,175	233,612	40,563	259,842
Benefits	11,445	8,760	8,216	544	9,363
Purchased services	12,221	8,710	(2,722)	11,432	6,620
Supplies	6,060	6,302	3,365	2,937	2,388
Other	61,874	49,349	25,385	23,964	44,784
	392,500	347,296	267,856	79,440	322,997

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Athletics:					
Salaries	\$ 688,500	\$ 622,434	\$ 580,132	\$ 42,302	\$ 682,709
Benefits	68,776	55,667	52,446	3,221	58,588
Purchased services	176,750	163,820	144,132	19,688	203,279
Supplies	119,180	138,947	130,648	8,299	97,633
Other	397,878	378,793	257,758	121,035	368,709
	<u>1,451,084</u>	<u>1,359,661</u>	<u>1,165,116</u>	<u>194,545</u>	<u>1,410,918</u>
Total Extra-Curricular Activities	<u>1,843,584</u>	<u>1,706,957</u>	<u>1,432,972</u>	<u>273,985</u>	<u>1,733,915</u>
Undistributed Expenditures:					
Student Support:					
Salaries	2,097,346	2,255,023	2,172,870	82,153	2,021,434
Benefits	827,046	899,790	900,493	(703)	800,790
Purchased services	128,270	98,401	21,921	76,480	5,113
Supplies	17,246	35,936	26,677	9,259	17,612
Other	455	473	-	473	-
	<u>3,070,363</u>	<u>3,289,623</u>	<u>3,121,961</u>	<u>167,662</u>	<u>2,844,949</u>
Instructional Staff Support:					
Salaries	1,117,904	1,113,646	1,091,268	22,378	1,090,023
Benefits	386,618	372,250	351,412	20,838	350,657
Purchased services	134,406	124,782	95,425	29,357	97,261
Supplies	399,708	240,696	160,595	80,101	126,725
Other	3,535	3,676	4,252	(576)	7,104
	<u>2,042,171</u>	<u>1,855,050</u>	<u>1,702,952</u>	<u>152,098</u>	<u>1,671,770</u>
General Administration:					
Salaries	762,698	933,672	807,351	126,321	683,881
Benefits	613,676	580,552	624,063	(43,511)	557,386
Purchased services	319,897	407,693	378,630	29,063	451,852
Supplies	27,211	31,300	29,519	1,781	27,335
Other	31,567	256,567	195,080	61,487	189,248
	<u>1,755,049</u>	<u>2,209,784</u>	<u>2,034,643</u>	<u>175,141</u>	<u>1,909,702</u>

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
School Administration:					
Salaries	\$ 5,116,741	\$ 5,277,452	\$ 5,247,522	\$ 29,930	\$ 4,915,035
Benefits	1,916,607	1,949,314	1,940,107	9,207	1,900,370
Purchased services	194,922	252,719	248,679	4,040	225,482
Supplies	189,608	207,193	185,952	21,241	237,280
Property	55,550	60,772	-	60,772	5,297
Other	11,110	11,554	14,902	(3,348)	7,032
	<u>7,484,538</u>	<u>7,759,004</u>	<u>7,637,162</u>	<u>121,842</u>	<u>7,290,496</u>
Central Services:					
Salaries	1,803,682	1,903,284	1,821,646	81,638	1,793,213
Benefits	595,492	546,868	570,150	(23,282)	526,825
Purchased services	752,450	1,678,430	1,389,592	288,838	1,395,850
Supplies	980,639	1,170,799	837,083	333,716	626,468
Property	361,075	401,344	385,680	15,664	32,400
Other	23,230	14,038	6,518	7,520	12,900
	<u>4,516,568</u>	<u>5,714,763</u>	<u>5,010,669</u>	<u>704,094</u>	<u>4,387,656</u>
Operation and Maintenance:					
Salaries	3,340,640	3,292,507	3,293,540	(1,033)	3,203,979
Benefits	1,209,671	1,127,937	1,115,995	11,942	1,129,735
Purchased services	1,359,426	1,703,803	1,581,562	122,241	1,491,030
Supplies	2,146,654	2,320,520	2,224,218	96,302	2,047,162
Property	25,250	26,260	-	26,260	119,850
Other	10,100	10,504	7,939	2,565	6,891
	<u>8,091,741</u>	<u>8,481,531</u>	<u>8,223,254</u>	<u>258,277</u>	<u>7,998,647</u>
Student Transportation:					
Salaries	2,075,194	1,972,262	1,873,627	98,635	1,968,687
Benefits	808,290	720,518	699,300	21,218	720,384
Purchased services	304,212	356,380	341,730	14,650	297,167
Supplies	555,500	577,720	430,292	147,428	536,368
Property	-	650,000	530,150	119,850	139,596
Other	(440,000)	(440,000)	(262,580)	(177,420)	(400,668)
	<u>3,303,196</u>	<u>3,836,880</u>	<u>3,612,519</u>	<u>224,361</u>	<u>3,261,534</u>

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Total Undistributed Expenditures	\$ 30,263,626	\$ 33,146,635	\$ 31,343,160	\$ 1,803,475	\$ 29,364,754
Total Expenditures	68,038,703	72,096,036	67,772,537	4,323,499	64,960,743
Revenues Over Expenditures	9,231,737	5,536,075	10,348,075	4,812,000	10,944,209
OTHER FINANCING (USES)					
Transfers (to) from other funds	(8,700,000)	(9,100,000)	(8,475,000)	625,000	(8,400,000)
Contingency	(500,000)	(500,000)	-	500,000	-
Total Other Financing (Uses)	(9,200,000)	(9,600,000)	(8,475,000)	1,125,000	(8,400,000)
Net Change in Fund Balance	31,737	(4,063,925)	1,873,075	5,937,000	2,544,209
FUND BALANCE, July 1	3,066,390	7,500,000	6,807,466	(692,534)	4,263,257
FUND BALANCE, June 30	<u>\$ 3,098,127</u>	<u>\$ 3,436,075</u>	<u>\$ 8,680,541</u>	<u>\$ 5,244,466</u>	<u>\$ 6,807,466</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
Distributive School Fund	\$ 3,873,831	\$ 3,873,831	\$ 4,161,770	\$ 287,939	\$ 3,828,926
EXPENDITURES					
Special Programs:					
Instruction					
Salaries	6,247,153	6,171,068	6,173,762	(2,694)	6,365,457
Benefits	2,590,876	2,693,602	2,673,435	20,167	2,490,518
Purchased services	93,840	97,594	66,329	31,265	66,166
Supplies	27,540	28,642	24,035	4,607	12,563
Other	-	1,000	355	645	468
	<u>8,959,409</u>	<u>8,991,906</u>	<u>8,937,916</u>	<u>53,990</u>	<u>8,935,172</u>
Undistributed Expenditures:					
Student Support:					
Salaries	1,642,368	1,791,639	1,616,895	174,744	1,489,972
Benefits	642,142	711,407	649,801	61,606	555,387
Purchased services	447,897	465,813	507,290	(41,477)	457,367
Supplies	<u>1,020</u>	<u>1,061</u>	<u>-</u>	<u>1,061</u>	<u>581</u>
	<u>2,733,427</u>	<u>2,969,920</u>	<u>2,773,986</u>	<u>195,934</u>	<u>2,503,307</u>
Instructional Staff Support:					
Salaries	5,100	5,253	429	4,824	661
Benefits	1,027	1,057	3,225	(2,168)	65
Purchased services	510	530	1,585	(1,055)	1,048
Supplies	<u>765</u>	<u>796</u>	<u>-</u>	<u>796</u>	<u>-</u>
	<u>7,402</u>	<u>7,636</u>	<u>5,239</u>	<u>2,397</u>	<u>1,774</u>
General Administration:					
Salaries	170,893	166,020	163,098	2,922	99,275
Benefits	60,847	60,172	56,938	3,234	34,936
Purchased services	13,260	28,790	26,306	2,484	646
Supplies	<u>10,200</u>	<u>10,608</u>	<u>5,895</u>	<u>4,713</u>	<u>4,496</u>
	<u>255,200</u>	<u>265,590</u>	<u>252,237</u>	<u>13,353</u>	<u>139,353</u>

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Student Transportation:					
Salaries	\$ 411,060	\$ 498,392	\$ 494,930	\$ 3,462	\$ 478,720
Benefits	179,638	205,027	197,765	7,262	170,525
Purchased services	15,300	5,912	-	5,912	-
	<u>605,998</u>	<u>709,331</u>	<u>692,695</u>	<u>16,636</u>	<u>649,245</u>
Total Expenditures	<u>12,561,436</u>	<u>12,944,383</u>	<u>12,662,073</u>	<u>282,310</u>	<u>12,228,851</u>
Revenues Over (Under)					
Expenditures	(8,687,605)	(9,070,552)	(8,500,303)	570,249	(8,399,925)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>8,700,000</u>	<u>9,100,000</u>	<u>8,475,000</u>	<u>(625,000)</u>	<u>8,400,000</u>
Net Change in Fund Balance	12,395	29,448	(25,303)	(54,751)	75
FUND BALANCE, July 1	<u>22,628</u>	<u>22,628</u>	<u>42,435</u>	<u>19,807</u>	<u>42,360</u>
FUND BALANCE, June 30	<u>\$ 35,023</u>	<u>\$ 52,076</u>	<u>\$ 17,132</u>	<u>\$ (34,944)</u>	<u>\$ 42,435</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
ASSETS		
Cash and investments	\$ 3,370,045	\$ 3,382,159
Cash with fiscal agent	364,500	-
Accounts receivable	14,726	89,591
Restricted cash	585,000	585,000
Total Assets	<u>4,334,271</u>	<u>4,056,750</u>
LIABILITIES		
Accounts payable	14,862	3,665
Incurred but unreported claims	2,251,000	1,200,000
Total Liabilities	<u>2,265,862</u>	<u>1,203,665</u>
NET POSITION		
Restricted for employee benefits program	2,068,409	2,099,450
Unrestricted	-	753,635
Total Net Assets	<u>\$ 2,068,409</u>	<u>\$ 2,853,085</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
OPERATING REVENUES		
Charges for services	\$ 10,382,947	\$ 5,213,470
Refunds and rebates	383,851	-
	<u>10,766,798</u>	<u>5,213,470</u>
OPERATING EXPENSES		
Benefit claims	10,256,565	543,749
Purchased services	1,245,988	3,925,372
Other	55,729	147,202
	<u>11,558,282</u>	<u>4,616,323</u>
Total Operating Expenses		
	(791,484)	597,147
NONOPERATING REVENUES		
Earnings on investments	6,808	161,173
	<u>(784,676)</u>	<u>758,320</u>
Change in Net Position		
	2,853,085	2,094,765
NET POSITION, July 1	<u>2,853,085</u>	<u>2,094,765</u>
NET POSITION, June 30	<u>\$ 2,068,409</u>	<u>\$ 2,853,085</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums received from other funds	\$ 10,457,812	\$ 5,061,304
Refunds and rebates received	383,851	-
Payments of benefits	(9,207,293)	(4,400,186)
Insurance premiums and other payments	<u>(1,288,792)</u>	<u>(165,494)</u>
Net Cash Provided by Operating Activities	<u>345,578</u>	<u>495,624</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	<u>6,808</u>	<u>161,173</u>
Net Increase in Cash and Cash Equivalents	352,386	656,797
CASH AND CASH EQUIVALENTS, July 1	<u>3,967,159</u>	<u>3,310,362</u>
CASH AND CASH EQUIVALENTS, June 30	<u><u>\$ 4,319,545</u></u>	<u><u>\$ 3,967,159</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (791,484)</u>	<u>\$ 597,147</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	74,865	(80,050)
Due from or to other funds	-	(72,116)
Accounts payable	11,197	(14,357)
Liability for claims incurred but not reported	<u>1,051,000</u>	<u>65,000</u>
Total Adjustments	<u>1,137,062</u>	<u>(101,523)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 345,578</u></u>	<u><u>\$ 495,624</u></u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2020 (WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019)

	PRIVATE PURPOSE TRUST - STUDENT SCHOLARSHIPS	AGENCY - STUDENT ACTIVITY FUNDS	TOTALS	
			2020	2019
ASSETS				
Cash and investments	\$ 989,592	\$ 951,214	\$ 1,940,806	\$ 1,762,390
Total Assets	<u>989,592</u>	<u>951,214</u>	<u>1,940,806</u>	<u>1,762,390</u>
LIABILITIES				
Due to student groups	<u>-</u>	<u>951,214</u>	<u>951,214</u>	<u>818,501</u>
Total Liabilities	<u>-</u>	<u>951,214</u>	<u>951,214</u>	<u>818,501</u>
NET POSITION				
Held in trust for student scholarships:				
Expendable	<u>989,592</u>	<u>-</u>	<u>989,592</u>	<u>943,889</u>
Total Net Position	<u>\$ 989,592</u>	<u>\$ -</u>	<u>\$ 989,592</u>	<u>\$ 943,889</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	PRIVATE-PURPOSE TRUST STUDENT SCHOLARSHIPS	
	2020	2019
ADDITIONS		
Earnings on investments	\$ 55,477	\$ 58,290
DEDUCTIONS		
Scholarships paid	<u>9,774</u>	<u>8,609</u>
Change in Net Position	45,703	49,681
NET POSITION, July 1	<u>943,889</u>	<u>894,208</u>
NET POSITION, June 30	<u><u>\$ 989,592</u></u>	<u><u>\$ 943,889</u></u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lyon County School District (District) conform to generally accepted accounting principles as applicable to governments. A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Reporting Entity

The District is governed by a separately elected seven member board. The Board is legally separate and fiscally independent from other governing bodies with decision making authority, authority to levy taxes, the power to designate management, the ability to significantly influence operations and is accountable for fiscal matters. Therefore, the District is a primary government and is not reported as a component unit by any other entity, nor is the Board accountable for any other entity required to be included in the District's comprehensive annual financial report.

Basic Financial Statements – District-Wide Statements

The basic financial statements include both district-wide (based on the District as a whole) and fund financial statements. The district-wide (sometimes referred to as 'government-wide') financial statements, the Statement of Net Position and Statement of Activities, report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Since the District currently has no business-type activities, all activities are reported as governmental.

In the Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program or function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Grants and contributions are restricted to meeting the operational or capital requirements of a particular program or function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. District resources are allocated to and accounted for in the individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements.

The emphasis of the fund financial statements is on the major funds in the governmental type activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise categories combined) for the determination of major funds. District management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The District's fiduciary funds are presented in the fiduciary fund financial statement by their type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the district-wide statements.

The District reports the following *major* governmental funds.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Special Education Fund

The Special Education Fund accounts for all costs, other than those paid by grants, directly related to providing instructional and support services to students with special needs.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Bond Projects Fund

The Bond Projects Fund is used to account for all proceeds, interest earnings, and expenditures related to general obligation bonds sold for the purpose of acquiring or constructing major capital facilities.

The District reports the following *nonmajor* governmental funds:

Federal Grants Fund	Medicaid Fund
Insurance Loss Fund	New Nevada Plan Fund
Federal School Lunch Fund	Capital Projects Fund
Adult Diploma Fund	Building and Sites Fund
Class Size Reduction Fund	Residential Construction Tax Fund
Private Donations and Grants Fund	
State Grants Fund	

Additionally, the District reports the following fund types:

Internal service funds are used to account for the charges to other funds and employees for the cost of various employee benefit programs on a cost reimbursement basis:

- Workers Compensation Insurance Fund
- Unemployment Insurance Fund
- Group Insurance Fund

The **private-purpose trust fund** is used to account for the resources legally held in trust for the purpose of awarding future student scholarships.

The **agency fund** is used to account for assets held by the District in a trustee capacity or as an agent for students and student groups.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Measurement Focus

District-Wide Financial Statements

The district-wide statements, as well as the proprietary fund financial statements, are prepared using the economic resources measurement focus. The agency funds (student activity funds) have no measurement focus.

All assets and liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the district-wide financial statements and the governmental funds financial statements.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The district-wide financial statements and the proprietary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available generally means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include taxes, grants, entitlements and donations for which the revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose;

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Property taxes are recognized as revenues in the year for which they are levied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are deemed both measurable and available at fiscal year-end: investment earnings, grants and entitlements.

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *outflows* of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District's governmental funds do not have any items that qualify for reporting in this category. However, the Statement of Net Position reports deferred debt retirement charges in this category and the amount is being amortized over the required periods through the applicable bond maturities. In addition, deferred outflows of resources have been reported for items related to the District's net pension and net other postemployment benefits (OPEB) liabilities.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *inflows* of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The District also reports a deferred inflow of resources related to its pension and OPEB liabilities. These deferred inflows of resources are only reported in the government-wide statement of net position.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Cash and Investments

Cash balances from all funds are combined and, invested to the extent practicable. The District invests as permitted by NRS 355.170 and has not adopted additional investment policies. The District Investments are stated at cost, which approximates market value.

Pursuant to NRS 355.170, the District may only invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain short-term commercial paper issued by U.S. Corporations.
- Certain "AAA" rated mutual funds that invest in Federal securities.

Inventories and Prepaid Items

Inventories are recorded at cost using the first-in/first-out (FIFO) method, except for commodities, which are stated at their fair value. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

State law prohibits any money paid into a fund created for the purpose of providing self-funded health insurance from being used for any other purpose. Prohibited transactions include loaning money to other funds or governmental entities.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 (\$15,000 for infrastructure), and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value as of the date of donation.

Property, plant and equipment are being depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Infrastructure	20
Site and building improvements	20
Vehicles	8
Computer and related equipment	5
Other equipment	5-15

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the proportionate-to-stated-interest-requirements method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as current expenditures of the fund receiving the proceeds.

Vacation Time and Sick Leave Benefits

The costs of vacation time and sick leave benefits are not accrued as earned but are recorded as payroll costs only when the time is actually used in the governmental fund statements. The full cost of accrued vacation for those classified and administrative employees who earn vacation time is recorded in the district-wide financial statements.

The majority of the employees of the District are teachers and classified staff who accumulate sick leave up to 250 days with no vacation time provided. Although sick leave may be accumulated, the amount paid to an employee upon termination, retirement or death is based on a predetermined daily dollar amount that is

LYON COUNTY SCHOOL DISTRICT

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based on the length of service and number of sick leave days accumulated. An employee's compensation is limited to \$12,500 and subject further to an annual aggregate limitation. Such payments are made each September to qualifying employees who terminated employment during the previous year. Any current liability that may exist at year-end is recorded in the General Fund. The estimated liability to employees separating from service in future years is recorded in the district-wide financial statements.

Postemployment Benefits Other than Pensions

Postemployment expenditures are comprised of monthly payments to the Nevada Public Employees' Benefit Program (PEBP) for the District's subsidy of retiree insurance premiums and the portion of insurance premiums paid to private insurers on behalf of active employees that represents the implicit cost of retiree coverage. The payments to PEBP are charged to the General Fund while the employee insurance premiums are charged to the respective fund to which the employees' payroll costs are charged. The District has elected to fund postemployment benefits using the pay-as-you-go basis. Postemployment benefits other than pensions are discussed in further detail in Note 10.

Property Taxes

All real property in Lyon County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of legislative action the tax rate has been further limited to \$3.64 per \$100 of assessed value except in cases of severe financial emergency as defined in NRS 354.705.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August and the first Mondays in October, January, and March to the Lyon County Treasurer. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2019 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for 2019. Such information can only be obtained by referring to the financial report for that year. Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The District adheres to the Local Government Budget Act incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data reflected in these financial statements:

1. On or before April 15, the Lyon County School District Board of Trustees files a tentative budget with the Nevada Department of Taxation and the Nevada Department of Education for all funds other than Trust and Agency Funds, which are not required to be budgeted. Although not required, management has elected to adopt annual budgets to improve fiscal accountability for private-purpose trust funds.
2. Prior to June 8, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget is then forwarded to the Nevada Tax Commission to approve the requested ad valorem tax rate.
3. Prior to January 1, each school district must adopt an amendment to its final budget to reflect the change in revenue to be received from actual student enrollment.
4. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds.
5. Budgets for funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Appropriations lapse at year-end.

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6. Budgeted amounts within funds, and between funds, may be transferred if amounts do not exceed the amounts originally budgeted. Such transfers are to be approved by the Budget Officer and/or the Board of Trustees, depending on established criteria. Budget augmentations in excess of original budgetary amounts may be made only with prior approval of the Lyon County School District Board of Trustees, following a scheduled and noticed public hearing.

In accordance with state statute, actual expenditures may not exceed budgetary appropriations at the program level for governmental funds, except for bond repayments, short-term financing repayment and any other long-term contract expressly authorized by law or payments for the construction of public works from funds provided by the proceeds of a sale of bonds or short-term financing. Internal service funds' level of budgetary control is the sum of operating and non-operating expenses.

NOTE 3 – CASH EQUIVALENTS AND INVESTMENTS

Cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash also includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Cash equivalents are short-term, highly liquid investments that (a) are readily convertible to known amounts of cash and (b) are so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates.

As of June 30, 2020, the District had the following amounts reported as cash and investments:

Government-Wide Balances:	
Pooled cash	\$ 14,695,508
Investments	24,404,755
	<u>39,100,263</u>
Fiduciary Funds:	
Student Activity Funds cash	951,214
Student Scholarship Fund investments	989,592
	<u>1,940,806</u>
	<u>\$ 41,041,069</u>

A portion of the District's cash and investments is restricted by Nevada Statutes. The amount restricted at June 30, 2020, is \$585,000, which is held in a restricted bank account to secure future workers' compensation claims.

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Except for financial reporting purposes, the cash and investments balances in the Fiduciary funds are not normally considered part of the District's pooled cash and investments. These amounts represent cash and investments held in an agency capacity by the District and cannot be used in its normal operations.

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or 3 inputs.

As of June 30, 2020, the District had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using Input Levels		
		1	2	3
Investments:				
WFB Advantage Gov't MM	\$ 688,979	\$ 688,979	\$ -	\$ -
Corporate Bonds	2,423,630	2,423,630	-	-
U.S. Treasury Notes	400,417	400,417	-	-
Corporate Asset Backed Securities	1,918,465	1,918,465	-	-
Government Mortgage Pool	3,006,230	3,006,230	-	-
Mortgage Backed Securities	1,201,328	1,201,328		
	<u>\$ 9,639,049</u>	<u>\$ 9,639,049</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Not Classified by Level:				
Accrued interest	29,820			
State of NV Local Government Investment Pool	15,725,478			
Total Investments	<u>\$ 25,394,347</u>			

Except for the investment identified as the State of Nevada Local Government Investment Pool (LGIP), Wells Fargo Bank is the District's custodian for the investments and Buckhead Capital Management is the District's investment advisor and portfolio manager. Securities purchased in the District's portfolio are held in a separate safekeeping account at Wells Fargo Bank and registered in the name of the District. Specific investment guidelines, originally established by the State of Nevada's NVest program, are in place to address the various types of investment risk.

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The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which is authorized by NRS 355.167 and is administered by the State Treasurer. Administrative policies are adopted by the State Board of Finance, which has oversight responsibilities. The fair value of the District's position in the pool equals the value of the pool shares, as determined daily. The \$15,725,478 investment in LGIP is carried at fair value. The Pool is an unrated external investment pool with an average weighted maturity of less than a year.

As of June 30, 2020, the District's investments had the following maturities:

	Fair Value	Investment Maturities (In Years)		
		< 1	1-3	>3
Corporate Bonds	\$ 2,423,630	\$ 597,617	\$ 1,264,623	\$ 561,390
U.S. Treasury Notes	400,417	-	400,417	-
Corporate Asset Backed Securities	1,918,465	-	360,744	1,557,721
Government Mortgage Pool	3,006,230	467,394	2,506,749	32,087
Mortgage Backed Securities	1,201,328	46,407	387,999	766,922
	8,950,070	<u>\$ 1,111,418</u>	<u>\$ 4,920,532</u>	<u>\$ 2,918,120</u>
Government Money Market Fund	688,979			
Accrued interest	29,820			
Investments held by Wells Fargo	9,668,869			
Local Government Investment Pool	15,725,478			
Total Investments	<u>\$ 25,394,347</u>			

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. To limit exposure to interest rate risk, Nevada Statutes limits banker's acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturities. The District's investment in U.S. Agency mortgage backed securities consists of securities issued by the Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loans Bank. Since investments in these agencies are in many cases backed by assets such as mortgages they are subject to prepayment risk.

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. Nevada Statutes limit investment in money market mutual funds and asset-backed securities to the "AAA" rating (or equivalent) by a nationally recognized statistical rating organization. The District's corporate securities are in most cases rated by both Standard & Poor's and Moody's rating agencies as indicated above. The U.S. Agency pools and mortgage-backed securities are backed by the U.S. government and unrated.

Concentration Risk

To limit exposure to concentrations of credit risk, the District's investment guidelines limit investment in asset backed securities, bankers' acceptances, non-U.S. agency collateralized mortgage obligations, commercial paper, corporate notes, negotiable certificates of deposit and U.S. Treasuries to 20% of total par value of the portfolio on the date of purchase. The District has less than 5% of total investments in any single issuer, excluding U.S. government obligations and pooled investments.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer.

NOTE 4 – RECEIVABLES

The District's funds reported the following receivables as of June 30, 2020:

	Taxes Receivable	Due from Other Gov't.	Total Receivables
<i>Major Governmental Funds:</i>			
General	\$ 155,086	\$ 2,541,717	\$ 2,696,803
Special Education	-	15,237	15,237
Debt Service	167,312	-	167,312
<i>Other Governmental Funds</i>	-	4,531,472	4,531,472
Total Governmental Funds	322,398	7,088,426	7,410,824
Unemployment Insurance	-	14,726	14,726
Total Receivables	<u>\$ 322,398</u>	<u>\$ 7,103,152</u>	<u>\$ 7,425,550</u>

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The costs of group health insurance, workers' compensation and unemployment benefits are accounted for in the respective internal service fund. All funds from which salaries are paid are charged a percent of gross payroll to recover the cost of benefits.

Some federal and state grants and programs had cash deficits at year end due to outstanding cash requests.

Interfund receivable and payable balances at June 30, 2020 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2,466,076	\$ -
Nonmajor Governmental Funds:		
Federal Grants	-	1,774,121
State Grants Fund	-	509,384
Adult Diploma Fund	-	182,571
	<u>\$ 2,466,076</u>	<u>\$ 2,466,076</u>

During the year, the General Fund transferred \$8,475,000 to the Special Education Fund to cover operating costs not sufficiently covered by state revenues.

NOTE 6 – CAPITAL ASSETS

A summary of the District's capital asset balance and activity as of and for the year ended June 30, 2020 is presented on the following page.

Depreciation expense was charged to programs and functions as follows:

Instruction	\$ 127,435
Central Services	391,188
Plant Maintenance	322,024
Transportation	518,191
Other Support Services	261,334
Facilities	3,602,834
	<u>\$ 5,223,006</u>

LYON COUNTY SCHOOL DISTRICT

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A summary of the District's balance in capital assets as of June 30, 2020 and the changes for year then ended are as follows:

	Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Nondepreciable Capital Assets				
Land	\$ 8,830,484	\$ -	\$ -	\$ 8,830,484
Construction in progress	29,261	1,643,768	(98,602)	1,574,427
	<u>8,859,745</u>	<u>1,643,768</u>	<u>(98,602)</u>	<u>10,404,911</u>
Depreciable Capital Assets				
Buildings and improvements	145,894,753	1,356,276	-	147,251,029
Infrastructure	20,597,278	231,997	-	20,829,275
Equipment and vehicles	29,256,740	1,414,501	(119,407)	30,551,834
	<u>195,748,771</u>	<u>3,002,774</u>	<u>(119,407)</u>	<u>198,632,138</u>
Less accumulated depreciation:				
Buildings and improvements	(57,399,688)	(3,004,867)	-	(60,404,555)
Infrastructure	(7,926,419)	(785,980)	-	(8,712,399)
Equipment and vehicles	(21,337,918)	(1,432,159)	115,401	(22,654,676)
	<u>(86,664,025)</u>	<u>(5,223,006)</u>	<u>115,401</u>	<u>(91,771,630)</u>
Depreciable assets, net	<u>109,084,746</u>	<u>(2,220,232)</u>	<u>(4,006)</u>	<u>106,860,508</u>
Governmental Activities				
Capital Assets, net	<u>\$ 117,944,491</u>	<u>\$ (576,464)</u>	<u>\$ (102,608)</u>	<u>\$ 117,265,419</u>

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT

The District's long-term liability activity is summarized as follows:

Changes in Long-Term Debt

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
General obligation bonds	\$ 50,715,000	\$ 23,168,000	\$(14,635,000)	\$ 59,248,000	\$ 6,179,000
Deferred amounts for issuance of premiums	3,324,559	1,295,267	(386,881)	4,232,945	458,801
Compensated absences	1,449,915	163,406	-	1,613,321	-
	55,489,474	24,626,673	(15,021,881)	65,094,266	6,637,801
Net pension liability	100,599,130	-	(503,835)	100,095,295	-
Obligation for OPEB	10,072,595	329,648	-	10,402,243	-
	<u>\$ 166,161,199</u>	<u>\$ 24,956,321</u>	<u>\$(15,525,716)</u>	<u>\$ 175,591,804</u>	<u>\$ 6,637,801</u>

The District's liability related to its participation in the State of Nevada Public Employees Retirement System (PERS) is discussed at Note 9 and its liability related to other postemployment benefits is discussed at Note 10. The liability for compensated absences is generally extinguished through General Fund resources.

General Obligation Bonds

Bonds payable at June 30, 2020 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund:

Series	Date Issued	Date of Final Maturity	Interest Rate	Original Amount Issued	Balance on June 30, 2020	Principal Due Within One Year
2005C	9/20/05	4/1/25	3.625% - 5.00%	\$ 13,000,000	\$ 1,950,000	\$ 955,000
2011	6/21/11	6/1/26	3.76%	5,000,000	2,390,000	440,000
2012	4/11/12	6/1/32	0.0% - 3.75%	7,955,000	4,440,000	1,060,000
2013	3/13/13	4/1/25	1.25% - 2.50%	9,765,000	4,075,000	1,495,000
2016A	6/21/16	4/1/36	3.00%	6,400,000	6,200,000	100,000
2017A	8/8/17	6/1/30	3.00% - 5.00%	17,900,000	17,025,000	965,000
2019	10/9/19	4/1/28	5.00%	7,055,000	7,055,000	490,000
2020A	5/13/20	6/1/35	2.29%	16,113,000	16,113,000	674,000
					<u>\$ 59,248,000</u>	<u>\$ 6,179,000</u>

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At June 30, 2020, the District's limit of bonded indebtedness as defined by NRS 387.400 was \$309,601,608. The District had \$59,248,000 in bonded debt outstanding, leaving an unused bonding capacity of \$250,353,608. However, there are other factors which could limit the District's bonding capacity, such as overlapping tax rates, available revenues, market conditions, and project specifications.

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2021	\$ 6,179,000	\$ 2,108,371	\$ 8,287,371
2022	6,227,000	1,889,885	8,116,885
2023	6,454,000	1,646,332	8,100,332
2024	5,856,000	1,398,564	7,254,564
2025	6,088,000	1,170,914	7,258,914
2026-2030	18,939,000	2,964,309	21,903,309
2031-2035	9,005,000	746,543	9,751,543
2036	500,000	15,000	515,000
	<u>\$ 59,248,000</u>	<u>\$ 11,939,918</u>	<u>\$ 71,187,918</u>

The principal amounts shown above exclude unamortized bond premiums of \$4,232,945 as of June 30, 2020, of which \$458,801 will be amortized in FY 21.

Interest expense reported in the Statement of Activities funds for FY20 was \$1,903,251.

Advance Refundings

For bond refunds resulting in the defeasance of the debt reported in the district-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. The accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The unamortized amount is presented as a deferred outflow of resources. As of June 30, 2020, this deferred outflow of resources was \$1,352,283 and the amortization in 2020 was \$220,677 which was included with interest expense in the Statement of Activities.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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NOTE 8 – RISK FINANCING

Self-Insured Workers Compensation Benefits

Effective July 1, 2003, the District adopted a self-insured program for providing workers compensation benefits paid due to work related injuries. The program is accounted for in the Workers Compensation Insurance Fund. Under the self-insured program, the District contracts with a third-party administrator to process claims and purchased reinsurance to cover individual claims that exceed \$250,000. The liability for incurred but unreported claims as of June 30, 2020 is \$1,200,000 as determined by an independent actuary. Interfund premiums are based on rates expected to meet current expenditures and fund the liability for incurred but unreported claims.

Self-Insured Health Care Insurance (Group Insurance Fund)

In December 2018, the District became self-insured for its group health, dental and vision care coverage, pursuant to NRS 287.010(1), for claims beginning in January 2019. The District has contracted with a third-party to provide administration and payment of the claims. The Group Insurance Fund collects interfund charges from the operating funds of the District, based on established by the District's Insurance Committee. Claims are paid by the District upon receipt of a monthly invoice from the third-party administrator.

The District has a stop-loss policy, which limits its liability relative to the participants' claims. The individual limit is \$200,000 and the aggregate limit is \$1,000,000. Claims paid by the District in excess of these limits are reimbursable to the District.

An approximate 1,078 employees and 621 dependents were enrolled in this plan as of June 30, 2020. Effective January 1, 2021, the District discontinued their group insurance fund. Coverage is now available through AetnaHealth, with participant benefits and cost to the District being substantially the same as under the self-insured plan. The District's contract with AetnaHealth is on a calendar year basis with a guarantee that the cost increase to the District for calendar year 2022 will not exceed 11%.

The changes to the claims liability as of June 30, 2020 and 2019 for these self-insurance programs is as follows:

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	Self-Insurance Funds		
	Group Insurance	Workers' Compensation	Total
Claims liability, June 30, 2018	\$ -	\$ 1,135,000	\$ 1,135,000
Current year claims and changes in estimates	3,903,947	543,479	4,447,426
Claim payments	(3,902,010)	(478,479)	(4,380,489)
Claims liability, June 30, 2019	1,937	1,200,000	1,201,937
Current year claims and changes in estimates	9,650,091	599,611	10,249,702
Claim payments	(8,601,028)	(599,611)	(9,200,639)
Claims liability, June 30, 2020	<u>\$ 1,051,000</u>	<u>\$ 1,200,000</u>	<u>\$ 2,251,000</u>

Property and Liability Claims

The District's property and liability insurance policy includes a self-insured retention provision whereby the District is responsible for claims up to \$25,000 per occurrence. Claims are paid from the General Fund. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the State of Nevada Public Employees Retirement System (PERS) a statewide, cost-sharing, multiple-employer defined benefit plan administered by the State of Nevada that covers substantially all employees of the District. PERS provides retirement, disability, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available on the web at <http://www.nvpers.org> or by writing to the State of Nevada Public Employees Retirement System, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

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Benefits Provided

Benefits provisions of the defined benefit pension plan are established by Nevada Revised Statutes (NRS or statute), which may be amended. Benefits are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members who entered the System on or after July 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

Contribution provisions are specified by state statute and may be amended only by action of the State legislature. Contribution rates are based on biennial actuarial valuations and are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon

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withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

The required contribution rates for the year ended June 30, 2020 were 15.25% for the EE/ER plan and 29.25% for the EPC plan. The District's contributions to the Plan were \$7,658,540 and \$7,162,970 for the years ended June 30, 2020 and 2019, respectively.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board's adopted policy target asset allocation as of June 30, 2019:

Asset Class	Target Allocation	Long-term
		Geometric Expected Real Rate of Return
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%
	100%	

Net Pension Liability

At June 30, 2020, the District reported a liability of \$100,095,295 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the total contributions of all participating reporting units and members. At June 30, 2019, the District's proportion of the regular plan was .73405%, which was a decrease from its .73765% proportion measured as of June 30, 2018.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District calculated using the discount rate of 7.5%. The following also reflects what the District's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.50%) or 1.00 percentage point higher (8.50%) than the current discount rate of 7.50%.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability	\$ 154,985,450	\$ 100,095,295	\$ 54,467,648

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Comprehensive Annual Financial Report, available on the NVPERs website.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5% per year.
Salary increases	4.25% to 9.15% depending on service.
Inflation rate	2.75% per year.
Productivity pay increase	0.50%
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience review study for the period July 1, 2012 through June 30, 2016, dated October 16, 2017.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the District recognized pension expense of \$6,675,154. As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,753,459	\$ 2,887,121
Changes in assumptions	4,073,465	
Net difference between projected and actual earnings on pension plan assets	-	4,979,381
Changes in proportion and differences between the District's contributions and proportionate share of contributions	821,053	1,829,584
The District's contributions subsequent to the measurement date	7,658,540	-
	<u>\$ 16,306,517</u>	<u>\$ 9,696,086</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2021	\$ 108,569
2022	(2,063,998)
2023	195,401
2024	397,489
2025	285,926
2026	28,504
	<u>\$ (1,048,109)</u>

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Retirees of the District may receive these other postemployment benefits (OPEB) through the Nevada Public Employees' Benefits Program (PEBP) or through the District's healthcare plan offered to its active employees.

Plan Descriptions

Nevada Public Employees' Benefits Program

The District contributes to the Nevada Public Employees' Benefits Program (PEBP), an agent, multiple-employer defined benefit plan, which provides medical benefits to eligible retired District employees and their beneficiaries. PEBP is administered by the Board of the Public Employees' Benefits Program, consisting of nine appointed members. Before November 30, 2008, NRS 287.023 allowed retirees of local governments meeting established criteria to enroll in the PEBP and required the local governments to subsidize the cost of their retirees' premiums. Although retirees may no longer enroll in the PEBP, retirees enrolled as of November 30, 2008 may remain in the plan with continued premium subsidies paid by the District. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the Nevada Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also located on their website at www.pebp.state.nv.us, or by calling (800) 326-5496.

Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which was effective for fiscal years beginning after June 15, 2016, makes changes to the financial reporting for OPEB plans administered through trusts which meet certain criteria. PEBP is administered by the State of Nevada and is not considered a "plan" for GASB 74 purposes. (However, to enhance the understanding of this footnote, this PEBP program may be referred to as a "plan.") Any assets accumulated for OPEB purposes are to be reported as assets of the employer.

The contribution requirements of plan members and the District are established and may be amended by the Board of the Public Employees' Benefits Program. The amount of subsidy an individual retiree is entitled is predicated on the years of service and a legislatively determined base amount. The District contributed \$357,887 during the year on behalf of 172 participating retirees.

Lyon County School District Healthcare Plan

The District administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the District. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the District's active employees. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate insured group, the District incurs the cost of an implicit premium subsidy. A separate report has not been issued for this plan. The District has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis.

Plan membership consisted of 1,019 active plan members, 81 retirees receiving benefits, and 34 retirees

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

entitled to but not receiving benefits as of June 30, 2018, the date of the latest actuarial valuation. The District contributed \$162,296 on their behalf during the year ended June 30, 2020.

NRS 288.150 specifies that insurance benefits are subject to mandatory bargaining. The amount employees contribute towards their insurance premium is negotiated with each association.

Actuarial Methods and Assumptions

The District's net OPEB liability for each plan was measured as of June 30, 2018, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of June 30, 2018.

The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	<u>District</u>	<u>PEBP</u>
Valuation Date	6/30/18	6/30/18
Actuarial cost method	Entry Age Normal	Entry Age Normal
Salary increases	4%	N/A
Discount rate		
As of June 30, 2018	2.98%	2.98%
As of June 30, 2019	2.79%	2.79%
Healthcare inflation	6.0% effective	<i>Pre-Medicare:</i>
	January 2020, grading	6.25% effective
	down to 5.0% by 2024	July 2019, grading
		down to 5%.
		<i>Post-Medicare:</i>
		4.50%
Retirement age	Ages 45 to 75	N/A
Mortality	NV PERS	NV PERS
	2017 Study	2017 Study
Mortality Improvement	MW Scale 2018	MW Scale 2018
	Generationally	Generationally

Sensitivity of the OPEB Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liabilities of the District's plan and PEBP, as well as what the liabilities would be if they were calculated using a discount rate that is 1% lower (1.79%) or 1% higher (3.79%) than the current discount rate of 2.79%.

LYON COUNTY SCHOOL DISTRICT

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<u>Net OPEB Liability</u>	<u>1% Decrease in Discount Rate to 1.79%</u>	<u>Current Discount Rate 2.79%</u>	<u>1% Increase in Discount Rate to 3.79%</u>
District	\$ 4,915,179	\$ 4,521,161	\$ 4,176,827
PEBP	6,640,388	5,881,082	5,249,608
	<u>\$ 11,555,567</u>	<u>\$ 10,402,243</u>	<u>\$ 9,426,435</u>

The following presents the net OPEB liabilities of the District's Plan and PEBP, as well as what the liabilities would be if they were calculated using a 1% decrease and a 1% increase in the healthcare cost trend rate.

<u>Net OPEB Liability</u>	<u>1% Decrease in Current Trend</u>	<u>Current Trend</u>	<u>1% Increase in Current Trend</u>
District	\$ 4,182,791	\$ 4,521,161	\$ 4,908,283
PEBP	5,275,121	5,881,082	6,595,068
	<u>\$ 9,457,912</u>	<u>\$ 10,402,243</u>	<u>\$ 11,503,351</u>

OPEB Expense and Deferred Outflows of Resources and Inflows Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$478,104 for the District Plan and \$393,576 for PEBP, for a total of \$871,680. As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

	District Plan	PEBP	Total
Deferred Outflows of Resources			
Changes of assumptions	\$ 613,151	\$ -	\$ 613,151
Contributions made subsequent to the measurement date	196,167	393,576	589,743
	<u>\$ 809,318</u>	<u>\$ 393,576</u>	<u>\$ 1,202,894</u>
Deferred Inflows of Resources			
Changes of assumptions	\$ 166,936	\$ -	\$ 166,936
Differences between expected and actual experience	465,339	-	465,339
	<u>\$ 632,275</u>	<u>\$ -</u>	<u>\$ 632,275</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPB will be recognized in OPEB expense as follows:

	Recognized Net Deferred Outflows (Inflows) of Resources		
Year Ending	District Plan	PEBP	Total
<u>June 30,</u>			
2021	\$ (5,728)	-	\$ (5,728)
2022	(5,728)	-	(5,728)
2023	(5,728)	-	(5,728)
2024	(5,728)	-	(5,728)
2025	(5,728)	-	(5,728)
Thereafter	9,516	-	9,516
	<u>\$ (19,124)</u>	<u>\$ -</u>	<u>\$ (19,124)</u>

Change in Net OPEB Liability

The following table depicts the District's changes in the net OPEB liability for the year ended June 30, 2020:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

	<u>District</u>	<u>PEBP</u>	<u>Combined</u>
Balance, July 1, 2019	<u>\$ 4,131,854</u>	<u>\$ 5,940,741</u>	<u>\$10,072,595</u>
Changes for the Year:			
Service cost	352,610	-	352,610
Interest cost	131,222	171,702	302,924
Changes of assumptions	67,671	126,526	194,197
Benefit payments	<u>(162,296)</u>	<u>(357,887)</u>	<u>(520,183)</u>
Net Changes	<u>389,207</u>	<u>(59,659)</u>	<u>329,548</u>
Balance, June 30, 2020	<u>\$ 4,521,061</u>	<u>\$ 5,881,082</u>	<u>\$10,402,143</u>

NOTE 11 – FUND BALANCE, NET ASSETS, RESTRICTIONS AND RESERVATIONS

District-Wide Financial Statements

The district-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as invested in capital assets-net of related debt, restricted and unrestricted. Related debt is the debt outstanding that relates to the acquisition, construction or improvement of capital assets.

Restricted net position is comprised of net assets which have third-party limitation on their use, whether statutory or imposed by a bond covenant or granting agency. Restricted net position is classified either by function, debt service, project, or claims. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

The restriction for debt service represents net position legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs.

Unrestricted net position represents available financial resources of the District.

Fund Financial Statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The District reports the following classifications:

Non-spendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

The General Fund reports non-spendable fund balance for the carrying amount of inventories held at year-end.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

The Debt Service Fund reports restricted fund balance for amounts that are legally restricted to the payment of long-term debt principal and interest maturing in future years.

The Bond Projects Fund and the Capital Projects funds report restricted fund balance for amounts related to construction contracts for which the District is committed, but the capital project is not yet complete.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Assigned fund balance in the General Fund represents an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned fund balance in the Special Education Fund represents amounts intended to be used for special education and related services.

Unassigned – the residual classification for the General Fund.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – as needed, unless the Board has provided for otherwise in its commitment or assignment actions.

The following table is a summary of the District's fund balances at June 30, 2020:

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Bond Projects Fund		
Fund Balances						
Nonspendable inventories	\$ 153,152	\$ -	\$ -	\$ -	\$ 26,000	\$ 179,152
Restricted for:						
Debt service	-	-	7,124,464	-	-	7,124,464
Capital projects	-	-	-	13,484,299	4,628,355	18,112,654
Assigned to:						
Education services	-	17,132	-	-	191,066	208,198
Food service	-	-	-	-	585,900	585,900
Subsequent year's budget	2,107,118	-	-	-	-	2,107,118
Unassigned	6,420,271	-	-	-	-	6,420,271
Total Fund Balance	<u>\$ 8,680,541</u>	<u>\$ 17,132</u>	<u>\$7,124,464</u>	<u>\$13,484,299</u>	<u>\$ 5,431,321</u>	<u>\$ 34,737,757</u>

NOTE 12 – COMPLIANCE WITH NEVADA REVISED STATUTES (NRS) & NEVADA ADMINISTRATIVE CODE (NAC)

The following possible violations of NRS/NAC were noted for the year ended June 30, 2020:

- A formal budget was not prepared for the District's Group Insurance Fund. As cited in NAC 354.481, the expenses did not cause a deficit in the equity balance of the fund; however, a budget for this fund was not adjusted in a manner provided by law.
- The District did not include budgeted revenues or expenditures for its Federal Grants or State Grants funds (special revenue funds) in its tentative or final budgets for June 30, 2020. The Department of Taxation's Form 4405LGF states in its General Instructions that "Budgets must be prepared for all funds except agency and non-expendable trust funds that do not receive property tax."
- NRS 354.624(2)(a) requires that the audit be completed and submitted to the Board of Trustees not later than October 31st (four months after the end of the fiscal year). As provided for by NRS 354.624(1), the District requested an extension for filing. The date of the auditors' opinion on the June 30, 2020 financial statements is January 19, 2021.

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District is currently evaluating the impact this standard will have on the financial statements. The statement is effective for the District's financial statements for the year ending June 30, 2021.

LYON COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending June 30, 2022.

NOTE 14 – COVID-19 PANDEMIC

In March 2020, the World Health Organization declared COVID-19 a global pandemic, resulting in far-reaching effects, including economic implications of a global reach. Closer to home, state-wide and local measures were enacted to contain the virus, including quarantines and closures of school campuses and the transition to alternative learning models, including part-time and full-time distance learning.

The District's future operations and business activities could be materially adversely affected by reductions in the level of funding and impacts to the timing of cash flows. Measures which may be taken to limit the spread of COVID-19 could also materially adversely affect significant estimates made by the District and future debt ratings.

For the 2021 school year, the District is providing instructional formats that comply with state and local guidelines. Since March 2020, the District's response to the pandemic has included various safety measures designed to protect its students, employees, and community. Revisions and enhancements will continue to be made as the pandemic situation warrants.

NOTE 15 – CONSTRUCTION COMMITMENTS

During FY20, the District entered into an approximate \$7.8 million contract for the expansion of facilities at East Valley Elementary School. As of the date of the auditor's report, an approximate \$3.4 million has been incurred on this contract. Future amounts will be financed through the Bond Projects Fund. As of June 30, 2020, the fund balance of the Bond Projects Fund was \$13,484,299, all of which is restricted for future capital improvements and construction projects.

LYON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS*

	2020			2019			2018		
	District	PEBP	Total	District	PEBP	Total	District	PEBP	Total
Total OPEB Liability									
Service cost	\$ 352,610	\$ -	\$ -	\$ 353,881	\$ -	\$ 353,881	\$ 374,429	\$ -	\$ 374,429
Interest	131,222	171,702	302,924	123,565	175,619	299,184	101,987	164,403	266,390
Changes in benefit terms	-	-	-	-	24,182	24,182	-	-	-
Differences between expected and actual experience	-	-	-	(568,389)	(180,891)	(749,280)	-	-	-
Changes in assumptions	67,671	126,526	194,197	673,647	501,406	1,175,053	(231,142)	(300,228)	(531,370)
Benefit payments	(162,296)	(357,887)	(520,183)	(89,480)	(380,812)	(470,292)	(75,389)	(394,781)	(470,170)
Net change in Total OPEB Liability	389,207	(59,659)	(23,062)	493,224	139,504	632,728	169,885	(530,606)	(360,721)
Total OPEB Liability, beginning	4,131,853	5,940,741	10,072,594	3,638,629	5,801,237	9,439,866	3,468,744	6,331,843	9,800,587
Total OPEB Liability, ending	4,521,060	5,881,082	10,049,532	4,131,853	5,940,741	10,072,594	3,638,629	5,801,237	9,439,866
Plan Fiduciary Net Position									
Employer contributions	162,296	-	-	89,480	380,812	1,028,921	75,389	394,781	1,028,921
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(162,296)	-	-	(89,480)	(380,812)	(1,028,921)	(75,389)	(394,781)	(1,028,921)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-	-	-	-	-	-
District's Net OPEB Liability	\$ 4,521,060	\$ 5,881,082	\$ 10,049,532	\$ 4,131,853	\$ 5,940,741	\$ 10,072,594	\$ 3,638,629	\$ 5,801,237	\$ 9,439,866
Covered payroll	\$ 50,275,106	N/A	N/A	\$ 47,121,055	N/A	N/A	\$ 45,228,239	N/A	N/A
District's Net OPEB Liability as a percentage of covered payroll	8.99%	N/A	N/A	8.77%	N/A	N/A	8.05%	N/A	N/A

*GASB Statement No. 75 requires ten years of information to be presented. However, until all 10 years of data is available the District presents information for those years for which the information is available.

LYON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NPL (NET PENSION LIABILITY) PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA LAST TEN FISCAL YEARS*

	Plan Year Ended					
	2019	2018	2017	2016	2015	2014
District's proportion of the Net Pension Liability	0.73405%	0.73765%	0.73864%	0.75753%	0.74096%	0.74190%
District's proportionate share of the Net Pension Liability	\$ 100,095,295	\$ 100,599,130	\$ 98,237,626	\$ 101,942,119	\$ 84,909,369	\$ 77,321,756
District's covered employee payroll	\$ 51,858,445	\$ 50,453,598	\$ 48,705,600	\$ 46,963,783	\$ 45,566,218	\$ 44,186,238
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	193.02%	199.39%	201.70%	217.07%	186.34%	174.99%
Plan fiduciary net position as a percentage of the Total Pension Liability	76.46%	75.23%	74.42%	72.20%	75.10%	76.30%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

LYON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA LAST TEN FISCAL YEARS*

	Determined for the Year Ended					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 7,658,540	\$ 7,162,970	\$ 6,875,462	\$ 6,422,758	\$ 11,410,032	\$ 11,377,956
Contributions in relation to the statutorily required contribution	<u>7,658,540</u>	<u>7,162,970</u>	<u>6,875,462</u>	<u>6,422,758</u>	<u>11,410,032</u>	<u>11,377,956</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 51,858,445	\$ 50,453,598	\$ 48,705,600	\$ 46,963,783	\$ 45,566,218	\$ 44,186,238
Contributions as a percentage of covered employee payroll	14.77%	14.20%	14.12%	13.68%	25.04%	25.75%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the District presents information for those years for which the information is available.

LYON COUNTY SCHOOL DISTRICT

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Ad valorem taxes	\$ 8,280,475	\$ 8,280,475	\$ 8,510,483	\$ 230,008	\$ 7,783,803
Earnings on investments	10,000	10,000	373,303	363,303	305,705
Total Revenue	8,290,475	8,290,475	8,883,786	593,311	8,089,508
EXPENDITURES					
Debt Service:					
Principal retirement	5,401,000	5,401,000	5,370,000	31,000	5,421,000
Interest	1,799,402	1,799,402	1,850,379	(50,977)	1,954,709
Other	-	-	148,097	(148,097)	5,600
	7,200,402	7,200,402	7,368,476	(168,074)	7,381,309
Revenues Over (Under)					
Expenditures	1,090,073	1,090,073	1,515,310	425,237	708,199
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	8,155,000	8,155,000	-
Bond premium	-	-	1,295,267	1,295,267	-
Payment to refunded bonds escrow agent	-	-	(9,265,000)	(9,265,000)	-
	-	-	185,267	185,267	-
Net Change in Fund Balance	1,090,073	1,090,073	1,700,577	610,504	708,199
FUND BALANCE, July 1	5,165,114	5,165,114	5,423,887	258,773	4,715,688
FUND BALANCE, June 30	\$ 6,255,187	\$ 6,255,187	\$ 7,124,464	\$ 869,277	\$ 5,423,887

LYON COUNTY SCHOOL DISTRICT

BOND PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Earnings on investments	\$ -	\$ -	\$ 83,628	\$ 83,628	\$ 59,545
EXPENDITURES					
Undistributed Expenditures:					
General Administration:					
Purchased services	-	20,000	144,968	(124,968)	-
Facilities Acquisition and Construction:					
Architectural and Engineering Services:					
Purchased services	750,000	785,000	615,963	169,037	118,019
Other	-	35,000	28,624	6,376	3,500
	750,000	820,000	644,587	175,413	121,519
Building Acquisition and Construction:					
Purchased services	7,000,000	3,910,000	40,038	3,869,962	1,373,643
Other	45,000	45,000	-	45,000	-
	7,045,000	3,955,000	40,038	3,914,962	1,373,643
Site Improvements:					
Purchased services	500,000	500,000	-	500,000	-
Other	25,000	25,000	-	25,000	-
	525,000	525,000	-	525,000	-
Building Improvements:					
Purchased services	-	3,000,000	1,824,340	1,175,660	7,600
Total Facilities Acquisition and Construction	8,320,000	8,300,000	2,508,965	5,791,035	1,502,762
Total Expenditures	8,320,000	8,320,000	2,653,933	5,666,067	1,502,762
Revenues Over (Under)					
Expenditures	(8,320,000)	(8,320,000)	(2,570,305)	5,749,695	(1,443,217)

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

BOND PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	<u>2020 BUDGET</u>		<u>2020</u>		<u>2019</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
OTHER FINANCING SOURCES					
Proceeds from bond sale	\$ 18,000,000	\$ 18,000,000	\$ 15,013,000	\$ (2,987,000)	\$ -
Net Change in Fund Balance	9,680,000	9,680,000	12,442,695	2,762,695	(1,443,217)
FUND BALANCE, July 1	<u>900,825</u>	<u>942,973</u>	<u>1,041,604</u>	<u>98,631</u>	<u>2,484,821</u>
FUND BALANCE, June 30	<u>\$ 10,580,825</u>	<u>\$ 10,622,973</u>	<u>\$ 13,484,299</u>	<u>\$ 2,861,326</u>	<u>\$ 1,041,604</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019)

Page 1 of 3

	SPECIAL REVENUE FUNDS					
	FEDERAL GRANTS	INSURANCE LOSS	FEDERAL SCHOOL LUNCH	ADULT DIPLOMA	CLASS SIZE REDUCTION	PRIVATE DONATIONS & GRANTS
ASSETS						
Cash and investments	\$ -	\$ 109,135	\$ 271,393	\$ -	\$ 202,899	\$ -
Receivables	2,372,765	-	421,969	202,491	-	-
Inventories	-	-	26,000	-	-	-
Total Assets	<u>\$ 2,372,765</u>	<u>\$ 109,135</u>	<u>\$ 719,362</u>	<u>\$ 202,491</u>	<u>\$ 202,899</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ 59,735	\$ -	\$ 3,127	\$ -	\$ -	\$ -
Accrued payroll	85,124	-	83,664	17,953	202,889	-
Due to other funds	1,774,121	-	-	182,571	-	-
Unearned revenues	453,785	-	20,671	-	-	-
Total Liabilities	<u>2,372,765</u>	<u>-</u>	<u>107,462</u>	<u>200,524</u>	<u>202,889</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	26,000	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	109,135	585,900	1,967	10	-
Total Fund Balances	<u>-</u>	<u>109,135</u>	<u>611,900</u>	<u>1,967</u>	<u>10</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 2,372,765</u>	<u>\$ 109,135</u>	<u>\$ 719,362</u>	<u>\$ 202,491</u>	<u>\$ 202,899</u>	<u>\$ -</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019)

Page 2 of 3

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	STATE GRANTS	MEDICAID	NEW NEVADA PLAN	TOTAL	CAPITAL PROJECTS	BUILDING AND SITES
ASSETS						
Cash and investments	\$ -	\$ 108,820	\$ 241,141	\$ 933,388	\$ 2,545,220	\$ 205,004
Receivables	1,292,210	-	398	4,289,833	181,447	800
Inventories	-	-	-	26,000	-	-
Total Assets	<u>\$ 1,292,210</u>	<u>\$ 108,820</u>	<u>\$ 241,539</u>	<u>\$ 5,249,221</u>	<u>\$ 2,726,667</u>	<u>\$ 205,804</u>
LIABILITIES						
Accounts payable	\$ 3,870	\$ 17,101	\$ 155,000	\$ 238,833	\$ 38,132	\$ -
Accrued payroll	188,121	12,176	86,128	676,055	-	-
Due to other funds	509,384	-	-	2,466,076	-	-
Unearned revenues	590,835	-	-	1,065,291	-	-
Total Liabilities	<u>1,292,210</u>	<u>29,277</u>	<u>241,128</u>	<u>4,446,255</u>	<u>38,132</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	26,000	-	-
Restricted	-	-	-	-	2,688,535	205,804
Assigned	-	79,543	411	776,966	-	-
Total Fund Balances	<u>-</u>	<u>79,543</u>	<u>411</u>	<u>802,966</u>	<u>2,688,535</u>	<u>205,804</u>
Total Liabilities and Fund Balances	<u>\$ 1,292,210</u>	<u>\$ 108,820</u>	<u>\$ 241,539</u>	<u>\$ 5,249,221</u>	<u>\$ 2,726,667</u>	<u>\$ 205,804</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2019)

Page 3 of 3

	CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	RES CONSTR TAX	TOTAL	2020	2019
ASSETS				
Cash and investments	\$ 1,675,035	\$ 4,425,259	\$ 5,358,647	\$ 5,205,182
Receivables	59,392	241,639	4,531,472	2,978,660
Inventories	-	-	26,000	39,228
Total Assets	<u>\$ 1,734,427</u>	<u>\$ 4,666,898</u>	<u>\$ 9,916,119</u>	<u>\$ 8,223,070</u>
LIABILITIES				
Accounts payable	\$ -	\$ 38,132	\$ 276,965	\$ 229,794
Accrued payroll	-	-	676,055	1,372,636
Due to other funds	-	-	2,466,076	1,497,092
Unearned revenues	-	-	1,065,291	450,581
Total Liabilities	<u>-</u>	<u>38,132</u>	<u>4,484,387</u>	<u>3,550,103</u>
FUND BALANCES				
Nonspendable	-	-	26,000	39,228
Restricted	1,734,427	4,628,766	4,628,766	3,739,431
Assigned	-	-	776,966	894,308
Total Fund Balances	<u>1,734,427</u>	<u>4,628,766</u>	<u>5,431,732</u>	<u>4,672,967</u>
Total Liabilities and Fund Balances	<u>\$ 1,734,427</u>	<u>\$ 4,666,898</u>	<u>\$ 9,916,119</u>	<u>\$ 8,223,070</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

Page 1 of 3

	SPECIAL REVENUE FUNDS					
	FEDERAL GRANTS	INSURANCE LOSS	FEDERAL SCHOOL LUNCH	ADULT DIPLOMA	CLASS SIZE REDUCTION	PRIVATE DONATIONS & GRANTS
REVENUES						
Local sources	\$ -	\$ -	\$ 507,615	\$ -	\$ -	\$ 8,441
State sources	-	-	10,775	202,490	2,571,037	-
Federal sources	4,281,015	-	3,071,333	-	-	-
Total Revenues	4,281,015	-	3,589,723	202,490	2,571,037	8,441
EXPENDITURES						
Regular programs	386,952	-	-	-	1,793,200	8,441
Special programs	1,609,151	-	-	-	777,837	-
Vocational programs	111,616	-	-	-	-	-
Adult instruction	-	-	-	202,490	-	-
Other instructional programs	37,066	-	-	-	-	-
Support Services:						
Student support	1,093,660	-	-	-	-	-
Instructional staff support	743,921	-	-	-	-	-
General administration	2,078	-	-	-	-	-
School administration	-	-	-	-	-	-
Central services	176,484	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-
Student transportation	11,056	-	-	-	-	-
Noninstructional services:						
Food service	23,289	-	3,729,551	-	-	-
Community service	85,742	-	-	-	-	-
Facilities acquisition and construction	-	-	5,850	-	-	-
Total Expenditures	4,281,015	-	3,735,401	202,490	2,571,037	8,441
Net Changes in Fund Balances	-	-	(145,678)	-	-	-
FUND BALANCE, July 1	-	109,135	757,578	1,967	10	-
FUND BALANCE, June 30	\$ -	\$ 109,135	\$ 611,900	\$ 1,967	\$ 10	\$ -

LYON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

Page 2 of 3

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	STATE GRANTS	MEDICAID	NEW NEVADA PLAN	TOTAL	CAPITAL PROJECTS	BUILDING AND SITES
REVENUES						
Local sources	\$ -	\$ -	\$ -	516,056	\$ 824,939	\$ 20,692
State sources	4,676,916	-	1,192,600	8,653,818	-	-
Federal sources	-	410,759	-	7,763,107	-	-
Total Revenues	<u>4,676,916</u>	<u>410,759</u>	<u>1,192,600</u>	<u>16,932,981</u>	<u>824,939</u>	<u>20,692</u>
EXPENDITURES						
Regular programs	3,221,735	-	1,127,538	6,537,866	-	-
Special programs	12,641	297,339	-	2,696,968	-	-
Vocational programs	119,466	-	-	231,082	-	-
Adult instruction	-	-	-	202,490	-	-
Other instructional programs	74,334	-	-	111,400	-	-
Support Services:				-		
Student support	594,489	-	64,651	1,752,800	-	-
Instructional staff support	389,913	-	-	1,133,834	-	-
General administration	78,979	98,723	-	179,780	-	-
School administration	-	-	-	-	-	-
Central services	69,188	-	-	245,672	-	-
Operations and maintenance	1,110	-	-	1,110	-	-
Student transportation	115,061	-	-	126,117	-	-
Noninstructional services:				-		
Food service	-	-	-	3,752,840	-	-
Community service	-	-	-	85,742	-	-
Facilities acquisition and construction	-	-	-	5,850	482,897	-
Total Expenditures	<u>4,676,916</u>	<u>396,062</u>	<u>1,192,189</u>	<u>17,063,551</u>	<u>482,897</u>	<u>-</u>
Net Changes in Fund Balances	-	14,697	411	(130,570)	342,042	20,692
FUND BALANCE, July 1	<u>-</u>	<u>64,846</u>	<u>-</u>	<u>933,536</u>	<u>2,346,493</u>	<u>185,112</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 79,543</u>	<u>\$ 411</u>	<u>\$ 802,966</u>	<u>\$ 2,688,535</u>	<u>\$ 205,804</u>

LYON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

Page 3 of 3

	CAPITAL PROJECTS FUNDS			
	RES CONSTR	TOTAL CAPITAL PROJECTS	TOTALS	
	TAX		2020	2019
REVENUES				
Local sources	\$ 603,686	\$ 1,449,317	\$ 1,965,373	\$ 2,134,790
State sources	-	-	8,653,818	5,894,100
Federal sources	-	-	7,763,107	9,246,838
Total Revenues	603,686	1,449,317	18,382,298	17,275,728
EXPENDITURES				
Regular programs	-	-	6,537,866	5,216,092
Special programs	-	-	2,696,968	2,621,529
Vocational programs	-	-	231,082	308,756
Adult instruction	-	-	202,490	188,518
Other instructional programs	-	-	111,400	483,990
Support Services:				
Student support	-	-	1,752,800	1,795,236
Instructional staff support	-	-	1,133,834	757,343
General administration	-	-	179,780	226,125
School administration	-	-	-	32,000
Central services	-	-	245,672	307,007
Operations and maintenance	-	-	1,110	11,652
Student transportation	-	-	126,117	163,590
Noninstructional services:				
Food service	-	-	3,752,840	3,888,413
Community service	-	-	85,742	118,815
Facilities acquisition and construction	77,085	559,982	565,832	577,765
Total Expenditures	77,085	559,982	17,623,533	16,696,831
Net Changes in Fund Balances	526,601	889,335	758,765	578,897
FUND BALANCE, July 1	1,207,826	3,739,431	4,672,967	4,094,070
FUND BALANCE, June 30	\$ 1,734,427	\$ 4,628,766	\$ 5,431,732	\$ 4,672,967

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal Sources	\$ -	\$ 4,281,015	\$ 4,281,015	\$ -	\$ 5,875,105
EXPENDITURES					
Regular Programs:					
Salaries	-	171,714	171,714	-	1,480,184
Benefits	-	56,209	56,209	-	601,128
Purchased services	-	22,401	22,401	-	5,348
Supplies	-	129,737	129,737	-	133,917
Other	-	6,891	6,891	-	17,138
Total Regular Programs	-	386,952	386,952	-	2,237,715
Special Programs:					
Salaries	-	819,559	819,559	-	660,345
Benefits	-	323,157	323,157	-	194,126
Purchased services	-	264,926	264,926	-	279,014
Supplies	-	201,509	201,509	-	193,365
Total Special Programs	-	1,609,151	1,609,151	-	1,326,850
Vocational Programs:					
Purchased services	-	-	-	-	46,471
Supplies	-	8,167	8,167	-	31,642
Property	-	103,449	103,449	-	25,912
Total Vocational Programs	-	111,616	111,616	-	104,025
Other Instructional Programs:					
Salaries	-	1,990	1,990	-	42,846
Benefits	-	185	185	-	6,155
Purchased services	-	18,967	18,967	-	49,389
Supplies	-	15,924	15,924	-	32,088
Total Other Instructional	-	37,066	37,066	-	130,478

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Undistributed Expenditures					
Student Support:					
Salaries	\$ -	\$ 252,878	\$ 252,878	\$ -	\$ 253,016
Benefits	-	49,968	49,968	-	42,041
Purchased services	-	236,118	236,118	-	175,021
Supplies	-	549,410	549,410	-	394,156
Other	-	5,286	5,286	-	3,584
	-	1,093,660	1,093,660	-	867,818
Instructional Staff Support:					
Salaries	-	254,880	254,880	-	337,108
Benefits	-	64,064	64,064	-	86,822
Purchased services	-	394,189	394,189	-	216,013
Supplies	-	30,788	30,788	-	21,302
Other	-	-	-	-	600
	-	743,921	743,921	-	661,845
General Administration:					
Salaries	-	2,078	2,078	-	-
School Administration:					
Salaries	-	-	-	-	30,000
Central Services:					
Salaries	-	125,773	125,773	-	219,273
Benefits	-	42,956	42,956	-	72,881
Purchased services	-	2,758	2,758	-	5,801
Supplies	-	4,997	4,997	-	6,249
	-	176,484	176,484	-	304,204
Student Transportation:					
Salaries	-	2,943	2,943	-	5,686
Benefits	-	455	455	-	804
Purchased services	-	7,658	7,658	-	28,359
	-	11,056	11,056	-	34,849

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

FEDERAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Other Support Services:					
Food Service:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 497
Benefits	-	-	-	-	743
Supplies	-	15,941	15,941	-	26,352
Property	-	7,348	7,348	-	30,914
	-	23,289	23,289	-	58,506
Community Service:					
Salaries	-	-	-	-	418
Benefits	-	-	-	-	14
Purchased services	-	-	-	-	10,867
Supplies	-	85,742	85,742	-	107,516
	-	85,742	85,742	-	118,815
Total Undistributed Expenditures	-	2,136,230	2,136,230	-	2,076,037
Total Expenditures	-	4,281,015	4,281,015	-	5,875,105
Revenue Over (Under) Expenditures	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

INSURANCE LOSS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Undistributed Expenditures:					
General Administration:					
Other	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	104,135	104,135	109,135	5,000	109,135
FUND BALANCE, June 30	\$ 104,135	\$ 104,135	\$ 109,135	\$ 5,000	\$ 109,135

LYON COUNTY SCHOOL DISTRICT

FEDERAL SCHOOL LUNCH FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Daily sales	\$ 650,000	\$ 650,000	\$ 489,140	\$ (160,860)	\$ 744,579
Other local	25,000	25,000	18,475	(6,525)	20,635
	675,000	675,000	507,615	(167,385)	765,214
State Sources:					
State Match	30,000	30,000	10,775	(19,225)	12,836
Federal Sources:					
School Nutrition Programs	2,806,250	2,806,250	3,071,333	265,083	2,924,988
Total Revenue	3,511,250	3,511,250	3,589,723	78,473	3,703,038
EXPENDITURES					
Food Service Operations:					
Salaries	1,359,359	1,500,140	1,462,855	37,285	1,411,250
Benefits	405,750	450,922	392,502	58,420	347,922
Purchased services	125,600	129,368	128,937	431	272,922
Supplies	1,600,000	1,725,000	1,729,980	(4,980)	1,693,699
Property	128,750	150,000	12,563	137,437	100,068
Other	1,500	1,600	2,714	(1,114)	4,046
	3,620,959	3,957,030	3,729,551	227,479	3,829,907
Building Improvement:					
Purchased services	-	150,000	5,850	144,150	-
Total Expenditures	3,620,959	4,107,030	3,735,401	371,629	3,829,907
Net Change in Fund Balance	(109,709)	(595,780)	(145,678)	450,102	(126,869)
FUND BALANCE, July 1	159,522	757,192	757,578	386	884,447
FUND BALANCE, June 30	\$ 49,813	\$ 161,412	\$ 611,900	\$ 450,488	\$ 757,578

LYON COUNTY SCHOOL DISTRICT

ADULT DIPLOMA FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Tuition	\$ -	\$ -	\$ -	\$ -	\$ 1,103
State Sources:					
State funding	192,325	202,490	202,490	-	188,518
Total Revenue	192,325	202,490	202,490	-	189,621
EXPENDITURES					
Salaries	145,000	134,535	134,535	-	126,579
Benefits	47,325	58,213	58,213	-	43,970
Purchased services	-	9,742	9,742	-	13,418
Supplies	-	-	-	-	4,551
Total Expenditures	192,325	202,490	202,490	-	188,518
Net Change in Fund Balance	-	-	-	-	1,103
FUND BALANCE, July 1	864	864	1,967	1,103	864
FUND BALANCE, June 30	\$ 864	\$ 864	\$ 1,967	\$ 1,103	\$ 1,967

LYON COUNTY SCHOOL DISTRICT

CLASS SIZE REDUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State funding	\$ 1,800,000	\$ 2,571,037	\$ 2,571,037	\$ -	\$ 2,575,365
EXPENDITURES					
Regular Programs:					
Salaries	1,250,000	1,766,037	1,793,200	(27,163)	1,800,000
Benefits	550,000	805,000	777,837	27,163	775,355
Total Expenditures	1,800,000	2,571,037	2,571,037	-	2,575,355
Net Change in Fund Balance	-	-	-	-	10
FUND BALANCE, July 1	-	-	10	10	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 10	\$ 10	\$ 10

LYON COUNTY SCHOOL DISTRICT

PRIVATE DONATIONS AND GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Private donations and grants	\$ -	\$ 8,441	\$ 8,441	\$ -	\$ 25,587
EXPENDITURES					
Regular Programs:					
Salaries	-	-	-	-	600
Benefits	-	-	-	-	55
Supplies	-	8,441	8,441	-	4,398
	-	8,441	8,441	-	5,053
Undistributed Expenditures:					
Instructional Staff Support:					
Purchased services	-	-	-	-	1,845
Supplies	-	-	-	-	4,323
	-	-	-	-	6,168
School Administration:					
Other	-	-	-	-	2,000
Operations and Maintenance:					
Property	-	-	-	-	10,541
Building Acquisition and Constr:					
Property	-	-	-	-	1,825
Total Undistributed Expenditures	-	-	-	-	20,534
Total Expenditures	-	8,441	8,441	-	25,587
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources	\$ -	\$ 4,676,916	\$ 4,676,916	\$ -	\$ 2,595,383
EXPENDITURES					
Regular Programs:					
Salaries	-	1,469,044	1,469,044	-	659,604
Benefits	-	570,167	570,167	-	262,681
Purchased services	-	386,547	386,547	-	190,465
Supplies	-	795,977	795,977	-	60,574
Total Regular Programs	-	3,221,735	3,221,735	-	1,173,324
Special Programs:					
Salaries	-	808	808	-	1,350
Benefits	-	21	21	-	124
Purchased services	-	4,626	4,626	-	163
Supplies	-	7,186	7,186	-	8,649
Total Special Programs	-	12,641	12,641	-	10,286
Vocational Programs:					
Purchased services	-	3,066	3,066	-	24,337
Supplies	-	104,340	104,340	-	108,004
Property	-	12,060	12,060	-	72,390
Total Vocational Programs	-	119,466	119,466	-	204,731
Other Instructional Programs:					
Salaries	-	43,481	43,481	-	256,110
Benefits	-	30,853	30,853	-	95,416
Supplies	-	-	-	-	1,986
Total Other Instructional	-	74,334	74,334	-	353,512
Undistributed Expenditures:					
Student Support:					
Salaries	-	50,639	50,639	-	49,056
Benefits	-	243	243	-	21,198
Purchased services	-	510,709	510,709	-	306,649
Supplies	-	32,898	32,898	-	28,517
	-	594,489	594,489	-	405,420

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

STATE GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional Staff Support:					
Salaries	\$ -	\$ 115,218	\$ 115,218	\$ -	\$ 21,537
Benefits	-	34,425	34,425	-	1,175
Purchased services	-	196,792	196,792	-	41,157
Supplies	-	43,478	43,478	-	25,461
	-	389,913	389,913	-	89,330
General Administration:					
Salaries	-	-	-	-	225,863
Benefits	-	-	-	-	262
Purchased services	-	78,979	78,979	-	-
	-	78,979	78,979	-	226,125
Central Services:					
Salaries	-	45,056	45,056	-	2,797
Benefits	-	16,538	16,538	-	6
Purchased services	-	7,594	7,594	-	-
	-	69,188	69,188	-	2,803
Operations and Maintenance:					
Purchased services	-	1,110	1,110	-	1,111
Student Transportation:					
Purchased services	-	115,061	115,061	-	128,741
Total Undistributed Expenditures	-	1,248,740	1,248,740	-	853,530
Total Expenditures	-	4,676,916	4,676,916	-	2,595,383
Net Change in Fund Balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

MEDICAID FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal Sources:					
Medicaid Program	\$ 500,000	\$ 500,000	\$ 410,759	\$ (89,241)	\$ 446,745
EXPENDITURES					
Special Programs:					
Student Support:					
Salaries	169,650	174,740	135,580	39,160	192,807
Benefits	83,244	85,741	56,714	29,027	73,772
Purchased services	152,250	159,863	79,154	80,709	106,656
Supplies	17,640	18,522	25,891	(7,369)	29,137
	<u>422,784</u>	<u>438,866</u>	<u>297,339</u>	<u>141,527</u>	<u>402,372</u>
Instructional Staff Support:					
Purchased services	-	-	-	-	8,055
General Administration:					
Salaries	44,880	46,226	44,841	1,385	40,418
Benefits	20,530	21,146	19,065	2,081	17,659
Purchased services	36,000	37,800	27,424	10,376	39,504
Supplies	1,515	1,591	7,393	(5,802)	1,030
	<u>102,925</u>	<u>106,763</u>	<u>98,723</u>	<u>8,040</u>	<u>98,611</u>
Total Expenditures	<u>525,709</u>	<u>545,629</u>	<u>396,062</u>	<u>149,567</u>	<u>509,038</u>
Net Change in Fund Balance	(25,709)	(45,629)	14,697	60,326	(62,293)
FUND BALANCE, July 1	<u>37,039</u>	<u>60,000</u>	<u>64,846</u>	<u>4,846</u>	<u>127,139</u>
FUND BALANCE, June 30	<u>\$ 11,330</u>	<u>\$ 14,371</u>	<u>\$ 79,543</u>	<u>\$ 65,172</u>	<u>\$ 64,846</u>

LYON COUNTY SCHOOL DISTRICT

NEW NEVADA PLAN (SB 178) FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State Sources:					
State funding	\$ -	\$ 1,192,600	\$ 1,192,600	\$ -	\$ 521,998
EXPENDITURES					
Regular Programs:					
Salaries	-	727,012	727,012	-	-
Benefits	-	294,724	294,724	-	-
Purchased services	-	34,656	34,656	-	-
Supplies	-	71,146	71,146	-	-
	-	1,127,538	1,127,538	-	-
Undistributed Expenditures:					
Student Support:					
Salaries	-	28,816	28,816	-	264,032
Benefits	-	1,095	1,095	-	79,228
Purchased services	-	-	-	-	12,025
Supplies	-	34,740	34,740	-	166,713
Total Expenditures	-	64,651	64,651	-	521,998
Total Expenditures	-	1,192,189	1,192,189	-	521,998
Net Change in Fund Balance	-	411	411	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ 411	\$ 411	\$ -	\$ -

LYON COUNTY SCHOOL DISTRICT

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Government Services Tax	\$ 798,000	\$ 798,000	\$ 824,939	\$ 26,939	\$ 830,492
EXPENDITURES					
Facilities Acquisition and Construction:					
Architecture and Engineering:					
Purchased services	25,000	55,000	12,413	42,587	10,500
Building Acquisition and Construction:					
Property	-	250,000	190,660	59,340	-
Site Improvement:					
Purchased services	250,000	300,000	153,484	146,516	555,306
Building Improvements:					
Purchased services	400,000	470,000	126,340	343,660	10,134
Total Facilities Acquisition and Construction	675,000	1,075,000	482,897	592,103	575,940
Net Change in Fund Balance	123,000	(277,000)	342,042	619,042	254,552
FUND BALANCE, July 1	1,751,941	2,346,493	2,346,493	-	2,091,941
FUND BALANCE, June 30	\$ 1,874,941	\$ 2,069,493	\$ 2,688,535	\$ 619,042	\$ 2,346,493

LYON COUNTY SCHOOL DISTRICT

BUILDING AND SITES FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Rents	\$ 9,600	\$ 9,600	\$ 9,600	\$ -	\$ 9,600
Earnings on investments	-	-	11,092	11,092	11,617
	<u>9,600</u>	<u>9,600</u>	<u>20,692</u>	<u>11,092</u>	<u>21,217</u>
EXPENDITURES					
Undistributed Expenditures:					
Operations and Maintenance:					
Supplies	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balance	(140,400)	(140,400)	20,692	138,908	21,217
FUND BALANCE, July 1	<u>173,495</u>	<u>173,495</u>	<u>185,112</u>	<u>11,617</u>	<u>163,895</u>
FUND BALANCE, June 30	<u>\$ 33,095</u>	<u>\$ 33,095</u>	<u>\$ 205,804</u>	<u>\$ 150,525</u>	<u>\$ 185,112</u>

LYON COUNTY SCHOOL DISTRICT

RESIDENTIAL CONSTRUCTION TAX FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Residential Construction Tax	\$ 427,000	\$ 427,000	\$ 598,848	\$ 171,848	\$ 485,609
Earnings on investments	-	-	4,838	4,838	5,568
Total Revenue	427,000	427,000	603,686	176,686	491,177
EXPENDITURES					
Undistributed Expenditures:					
Operations and Maintenance					
Property	40,000	40,000	-	40,000	-
Facilities Acquisition and Construction:					
Building Acquisition/Construction:					
Purchased services	735,000	735,000	-	735,000	-
Supplies	225,000	225,000	-	225,000	-
	960,000	960,000	-	960,000	-
Site Improvement:					
Purchased services	250,000	250,000	-	250,000	-
Property	-	-	77,085	(77,085)	-
	250,000	250,000	77,085	172,915	-
Total Expenditures	1,250,000	1,250,000	77,085	1,172,915	-
Net Change in Fund Balance	(823,000)	(823,000)	526,601	1,349,601	491,177
FUND BALANCE, July 1	1,151,649	1,202,258	1,207,826	5,568	716,649
FUND BALANCE, June 30	\$ 328,649	\$ 379,258	\$ 1,734,427	\$ 1,355,169	\$ 1,207,826

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2019)

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2020	2019
ASSETS					
Cash and cash equivalents	\$ 1,669,175	\$ 1,000,453	\$ 700,417	\$ 3,370,045	\$ 3,382,159
Cash with fiscal agent	-	-	364,500	364,500	-
Accounts receivable	-	14,726	-	14,726	89,591
	1,669,175	1,015,179	1,064,917	3,749,271	3,471,750
Restricted cash	585,000	-	-	585,000	585,000
Total Assets	<u>2,254,175</u>	<u>1,015,179</u>	<u>1,064,917</u>	<u>4,334,271</u>	<u>4,056,750</u>
LIABILITIES					
Accounts payable	14,862	-	-	14,862	3,665
Incurred but unreported claims	<u>1,200,000</u>	-	<u>1,051,000</u>	<u>2,251,000</u>	<u>1,200,000</u>
Total Liabilities	<u>1,214,862</u>	-	<u>1,051,000</u>	<u>2,265,862</u>	<u>1,203,665</u>
NET POSITION					
Restricted for employee benefits program	<u>\$ 1,039,313</u>	<u>\$ 1,015,179</u>	<u>\$ 13,917</u>	<u>\$ 2,068,409</u>	<u>\$ 2,853,085</u>

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2020	2019
OPERATING REVENUES					
Charges for services	\$ 423,088	\$ 156,569	\$ 9,803,290	\$ 10,382,947	\$ 5,213,470
Refunds and rebates	-	-	383,851	383,851	-
	<u>423,088</u>	<u>156,569</u>	<u>10,187,141</u>	<u>10,766,798</u>	<u>5,213,470</u>
OPERATING EXPENSES					
Benefit claims	599,611	4,926	9,652,028	10,256,565	4,469,121
Purchased services	72,870	-	1,173,118	1,245,988	83,137
Other	55,729	-	-	55,729	64,065
	<u>728,210</u>	<u>4,926</u>	<u>10,825,146</u>	<u>11,558,282</u>	<u>4,616,323</u>
Total Operating Expenses					
	<u>728,210</u>	<u>4,926</u>	<u>10,825,146</u>	<u>11,558,282</u>	<u>4,616,323</u>
Operating Income (Loss)	(305,122)	151,643	(638,005)	(791,484)	597,147
NONOPERATING REVENUES					
Earnings on investments	5,800	-	1,008	6,808	161,173
	<u>5,800</u>	<u>-</u>	<u>1,008</u>	<u>6,808</u>	<u>161,173</u>
Change in Net Position	(299,322)	151,643	(636,997)	(784,676)	758,320
NET POSITION, July 1	<u>1,338,635</u>	<u>863,536</u>	<u>650,914</u>	<u>2,853,085</u>	<u>2,094,765</u>
NET POSITION, June 30	<u>\$ 1,039,313</u>	<u>\$ 1,015,179</u>	<u>\$ 13,917</u>	<u>\$ 2,068,409</u>	<u>\$ 2,853,085</u>

LYON COUNTY SCHOOL DISTRICT

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	WORKERS COMPENSATION INSURANCE FUND	UNEMPLOY- MENT INSURANCE FUND	GROUP INSURANCE FUND	TOTALS	
				2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Premiums received from other funds	\$ 494,246	\$ 160,276	\$ 9,803,290	\$ 10,457,812	\$ 5,061,304
Refunds and rebates received	-	-	383,851	383,851	-
Payment of benefits	(599,611)	(6,654)	(8,601,028)	(9,207,293)	(4,400,186)
Insurance premiums and other	(113,737)	-	(1,175,055)	(1,288,792)	(165,494)
Net Cash Provided (Used) by Operating Activities	(219,102)	153,622	411,058	345,578	495,624
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	5,800	-	1,008	6,808	161,173
Net Increase (Decrease) in Cash and Cash Equivalents	(213,302)	153,622	412,066	352,386	656,797
CASH AND CASH EQUIVALENTS, July 1	<u>2,467,477</u>	<u>846,831</u>	<u>652,851</u>	<u>3,967,159</u>	<u>3,310,362</u>
CASH AND CASH EQUIVALENTS, June 30	<u>\$ 2,254,175</u>	<u>\$ 1,000,453</u>	<u>\$ 1,064,917</u>	<u>\$ 4,319,545</u>	<u>\$ 3,967,159</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (305,122)	\$ 151,643	\$ (638,005)	\$ (791,484)	\$ 597,147
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	71,158	3,707	-	74,865	(80,050)
Due from or to other funds	-	-	-	-	(72,116)
Accounts payable	14,862	(1,728)	(1,937)	11,197	(14,357)
Incurred but not reported claims	-	-	1,051,000	1,051,000	65,000
Total Adjustments	86,020	1,979	1,049,063	1,137,062	(101,523)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (219,102)</u>	<u>\$ 153,622</u>	<u>\$ 411,058</u>	<u>\$ 345,578</u>	<u>\$ 495,624</u>

LYON COUNTY SCHOOL DISTRICT

WORKERS COMPENSATION INSURANCE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	<u>2020 BUDGET</u>		<u>2020</u>		<u>2019</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES					
Charges for services	\$ 580,000	\$ 580,000	\$ 423,088	\$ (156,912)	\$ 579,471
OPERATING EXPENSES					
Benefits	580,000	580,000	599,611	(19,611)	543,749
Purchased services	135,000	135,000	72,870	62,130	83,137
Other	50,000	50,000	55,729	(5,729)	64,065
	<u>765,000</u>	<u>765,000</u>	<u>728,210</u>	<u>36,790</u>	<u>690,951</u>
Operating Income (Loss)	(185,000)	(185,000)	(305,122)	(120,122)	(111,480)
NONOPERATING REVENUES					
Earnings on investments	<u>10,000</u>	<u>10,000</u>	<u>5,800</u>	<u>(4,200)</u>	<u>161,173</u>
Change in Net Position	(175,000)	(175,000)	(299,322)	(124,322)	49,693
NET POSITION, July 1	<u>1,133,942</u>	<u>1,133,942</u>	<u>1,338,635</u>	<u>204,693</u>	<u>1,288,942</u>
NET POSITION, June 30	<u>\$ 958,942</u>	<u>\$ 958,942</u>	<u>\$ 1,039,313</u>	<u>\$ 80,371</u>	<u>\$ 1,338,635</u>

LYON COUNTY SCHOOL DISTRICT

WORKERS COMPENSATION INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 600,000	\$ 600,000	\$ 494,246	\$ (105,754)	\$ 429,453
Payment of benefits	(500,000)	(500,000)	(599,611)	(99,611)	(478,479)
Insurance premiums paid, other payments	<u>(145,000)</u>	<u>(145,000)</u>	<u>(113,737)</u>	<u>31,263</u>	<u>(165,494)</u>
Net Cash Provided (Used) By Operating Activities	(45,000)	(45,000)	(219,102)	(174,102)	(214,520)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	<u>10,000</u>	<u>10,000</u>	<u>5,800</u>	<u>(4,200)</u>	<u>161,173</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(35,000)	(35,000)	(213,302)	(178,302)	(53,347)
CASH AND CASH EQUIVALENTS, July 1					
	<u>2,505,824</u>	<u>2,505,824</u>	<u>2,467,477</u>	<u>(38,347)</u>	<u>2,520,824</u>
CASH AND CASH EQUIVALENTS, June 30					
	<u>\$ 2,470,824</u>	<u>\$ 2,470,824</u>	<u>\$ 2,254,175</u>	<u>\$ (216,649)</u>	<u>\$ 2,467,477</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ -	\$ -	\$ (305,122)	\$ (305,122)	\$ (111,480)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	-	71,158	71,158	(71,158)
Accounts payable	-	-	14,862	14,862	(18,022)
Due to other funds	-	-	-	-	(78,860)
Incurred but not reported claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>86,020</u>	<u>86,020</u>	<u>(103,040)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (219,102)</u>	<u>\$ (219,102)</u>	<u>\$ (214,520)</u>

LYON COUNTY SCHOOL DISTRICT

UNEMPLOYMENT INSURANCE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 155,000	\$ 155,000	\$ 156,569	\$ 1,569	\$ 155,071
OPERATING EXPENSES					
Benefits	20,000	20,000	4,926	15,074	21,425
Change in Net Position	135,000	135,000	151,643	16,643	133,646
NET POSITION, July 1	854,890	854,890	863,536	8,646	729,890
NET POSITION, June 30	\$ 989,890	\$ 989,890	\$ 1,015,179	\$ 25,289	\$ 863,536

LYON COUNTY SCHOOL DISTRICT

UNEMPLOYMENT INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	<u>2020 BUDGET</u>		<u>2020</u>		<u>2019</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 155,000	\$ 155,000	\$ 160,276	\$ 5,276	\$ 143,382
Payment of benefits	<u>(35,000)</u>	<u>(35,000)</u>	<u>(6,654)</u>	<u>28,346</u>	<u>(19,697)</u>
Net Cash Provided By Operating Activities	120,000	120,000	153,622	33,622	123,685
CASH AND CASH EQUIVALENTS, July 1	<u>833,146</u>	<u>776,901</u>	<u>846,831</u>	<u>69,930</u>	<u>723,146</u>
CASH AND CASH EQUIVALENTS, June 30	<u>\$ 953,146</u>	<u>\$ 896,901</u>	<u>\$ 1,000,453</u>	<u>\$ 103,552</u>	<u>\$ 846,831</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,643</u>	<u>\$ 151,643</u>	<u>\$ 133,646</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	-	3,707	3,707	(18,433)
Due from other funds	-	-	-	-	6,744
Accounts payable	<u>-</u>	<u>-</u>	<u>(1,728)</u>	<u>(1,728)</u>	<u>1,728</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>1,979</u>	<u>1,979</u>	<u>(9,961)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,622</u>	<u>\$ 153,622</u>	<u>\$ 123,685</u>

LYON COUNTY SCHOOL DISTRICT

GROUP INSURANCE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020 BUDGET		2020		2019
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ 9,803,290	\$ 9,803,290	\$ 4,478,928
Refunds and rebates	-	-	383,851	383,851	-
	-	-	10,187,141	10,187,141	4,478,928
OPERATING EXPENSES					
Benefits			9,652,028	(9,652,028)	3,903,947
Purchased services	-	-	1,173,118	(1,173,118)	-
	-	-	10,825,146	(10,825,146)	3,903,947
Operating Income (Loss)	-	-	(638,005)	(638,005)	574,981
NONOPERATING REVENUES					
Earnings on investments	-	-	1,008	1,008	-
Change in Net Position	-	-	(636,997)	(636,997)	574,981
NET POSITION, July 1	-	-	650,914	650,914	75,933
NET POSITION, June 30	\$ -	\$ -	\$ 13,917	\$ 13,917	\$ 650,914

LYON COUNTY SCHOOL DISTRICT

GROUP INSURANCE FUND SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	<u>2020 BUDGET</u>		<u>2020</u>		<u>2019</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services received	\$ 70,000	\$ 70,000	\$ 9,803,290	\$ 9,733,290	\$ 4,488,469
Refunds and rebates received	-	-	383,851	383,851	-
Payment of benefits	-	-	(8,601,028)	(8,601,028)	(3,902,010)
Payment for services and other	-	-	(1,175,055)	(1,175,055)	-
Net Cash Provided (Used) By Operating Activities	<u>70,000</u>	<u>70,000</u>	<u>411,058</u>	<u>341,058</u>	<u>586,459</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash transferred to other funds	(35,000)	(35,000)	-	35,000	-
Earnings on investments	-	-	1,008	-	-
Net Cash Provided (Used) By Operating Activities	<u>(35,000)</u>	<u>(35,000)</u>	<u>1,008</u>	<u>35,000</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	35,000	35,000	412,066	376,058	586,459
CASH AND CASH EQUIVALENTS, July 1					
	<u>96,392</u>	<u>96,392</u>	<u>652,851</u>	<u>556,459</u>	<u>66,392</u>
CASH AND CASH EQUIVALENTS, June 30					
	<u>\$ 131,392</u>	<u>\$ 131,392</u>	<u>\$ 1,064,917</u>	<u>\$ 932,517</u>	<u>\$ 652,851</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (638,005)</u>	<u>\$ (638,005)</u>	<u>\$ 574,981</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	-	-	-	9,541
Accounts payable	-	-	(1,937)	(1,937)	-
Claims incurred but not reported	-	-	1,051,000	1,051,000	1,937
Total Adjustments	<u>-</u>	<u>-</u>	<u>1,049,063</u>	<u>1,049,063</u>	<u>11,478</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,058</u>	<u>\$ 411,058</u>	<u>\$ 586,459</u>

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF STUDENT ACTIVITY ACCOUNTS YEAR ENDED JUNE 30, 2020

	<u>BALANCE JULY 1, 2019</u>	<u>NET CHANGE</u>	<u>BALANCE JUNE 30, 2020</u>
YERINGTON ELEMENTARY			
Assets:			
Cash and investments	<u>\$ 20,307</u>	<u>\$ (10,724)</u>	<u>\$ 9,583</u>
Liabilities:			
Due to student groups	<u>\$ 20,307</u>	<u>\$ (10,724)</u>	<u>\$ 9,583</u>
YERINGTON INTERMEDIATE			
Assets:			
Cash and investments	<u>\$ 26,985</u>	<u>\$ 3,850</u>	<u>\$ 30,835</u>
Liabilities:			
Due to student groups	<u>\$ 26,985</u>	<u>\$ 3,850</u>	<u>\$ 30,835</u>
YERINGTON HIGH			
Assets:			
Cash and investments	<u>\$ 154,823</u>	<u>\$ 92,225</u>	<u>\$ 247,048</u>
Liabilities:			
Due to student groups	<u>\$ 154,823</u>	<u>\$ 92,225</u>	<u>\$ 247,048</u>
SMITH VALLEY SCHOOLS			
Assets:			
Cash and investments	<u>\$ 38,560</u>	<u>\$ 5,312</u>	<u>\$ 43,872</u>
Liabilities:			
Due to student groups	<u>\$ 38,560</u>	<u>\$ 5,312</u>	<u>\$ 43,872</u>
SILVER STAGE ELEMENTARY			
Assets:			
Cash and investments	<u>\$ 27,586</u>	<u>\$ (2,102)</u>	<u>\$ 25,484</u>
Liabilities:			
Due to student groups	<u>\$ 27,586</u>	<u>\$ (2,102)</u>	<u>\$ 25,484</u>

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF STUDENT ACTIVITY ACCOUNTS YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>NET CHANGE</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
SILVER STAGE MIDDLE			
Assets:			
Cash and investments	\$ <u>10,124</u>	\$ <u>(8,377)</u>	\$ <u>1,747</u>
Liabilities:			
Due to student groups	\$ <u>10,124</u>	\$ <u>(8,377)</u>	\$ <u>1,747</u>
SILVER STAGE HIGH			
Assets:			
Cash and investments	\$ <u>46,009</u>	\$ <u>(4,951)</u>	\$ <u>41,058</u>
Liabilities:			
Due to student groups	\$ <u>46,009</u>	\$ <u>(4,951)</u>	\$ <u>41,058</u>
SILVERLAND MIDDLE			
Assets:			
Cash and investments	\$ <u>46,154</u>	\$ <u>(10,448)</u>	\$ <u>35,706</u>
Liabilities:			
Due to student groups	\$ <u>46,154</u>	\$ <u>(10,448)</u>	\$ <u>35,706</u>
FERNLEY ELEMENTARY			
Assets:			
Cash and investments	\$ <u>16,200</u>	\$ <u>(1,834)</u>	\$ <u>14,366</u>
Liabilities:			
Due to student groups	\$ <u>16,200</u>	\$ <u>(1,834)</u>	\$ <u>14,366</u>
COTTONWOOD ELEMENTARY			
Assets:			
Cash and investments	\$ <u>4,762</u>	\$ <u>(790)</u>	\$ <u>3,972</u>
Liabilities:			
Due to student groups	\$ <u>4,762</u>	\$ <u>(790)</u>	\$ <u>3,972</u>

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF STUDENT ACTIVITY ACCOUNTS YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>NET CHANGE</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
EAST VALLEY ELEMENTARY			
Assets:			
Cash and investments	<u>\$ 8,694</u>	<u>\$ 1,361</u>	<u>\$ 10,055</u>
Liabilities:			
Due to student groups	<u>\$ 8,694</u>	<u>\$ 1,361</u>	<u>\$ 10,055</u>
FERNLEY INTERMEDIATE			
Assets:			
Cash and investments	<u>\$ 22,193</u>	<u>\$ 4,576</u>	<u>\$ 26,769</u>
Liabilities:			
Due to student groups	<u>\$ 22,193</u>	<u>\$ 4,576</u>	<u>\$ 26,769</u>
FERNLEY HIGH			
Assets:			
Cash and investments	<u>\$ 210,375</u>	<u>\$ 37,977</u>	<u>\$ 248,352</u>
Liabilities:			
Due to student groups	<u>\$ 210,375</u>	<u>\$ 37,977</u>	<u>\$ 248,352</u>
DAYTON ELEMENTARY			
Assets:			
Cash and investments	<u>\$ 24,194</u>	<u>\$ (2,095)</u>	<u>\$ 22,099</u>
Liabilities:			
Due to student groups	<u>\$ 24,194</u>	<u>\$ (2,095)</u>	<u>\$ 22,099</u>
SUTRO ELEMENTARY			
Assets:			
Cash and investments	<u>\$ 16,361</u>	<u>\$ 810</u>	<u>\$ 17,171</u>
Liabilities:			
Due to student groups	<u>\$ 16,361</u>	<u>\$ 810</u>	<u>\$ 17,171</u>

Continued on next page.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF STUDENT ACTIVITY ACCOUNTS YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>NET CHANGE</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
RIVERVIEW ELEMENTARY			
Assets:			
Cash and investments	\$ <u>16,236</u>	\$ <u>(10,004)</u>	\$ <u>6,232</u>
Liabilities:			
Due to student groups	\$ <u>16,236</u>	\$ <u>(10,004)</u>	\$ <u>6,232</u>
DAYTON INTERMEDIATE			
Assets:			
Cash and investments	\$ <u>28,148</u>	\$ <u>6,492</u>	\$ <u>34,640</u>
Liabilities:			
Due to student groups	\$ <u>28,148</u>	\$ <u>6,492</u>	\$ <u>34,640</u>
DAYTON HIGH			
Assets:			
Cash and investments	\$ <u>100,790</u>	\$ <u>31,435</u>	\$ <u>132,225</u>
Liabilities:			
Due to student groups	\$ <u>100,790</u>	\$ <u>31,435</u>	\$ <u>132,225</u>
TOTALS			
Assets:			
Cash and investments	\$ <u>818,501</u>	\$ <u>132,713</u>	\$ <u>951,214</u>
Liabilities:			
Due to student groups	\$ <u>818,501</u>	\$ <u>132,713</u>	\$ <u>951,214</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Lyon County School District
Yerington, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lyon County School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 19, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item #2020-1 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Silva Scirene & Assoc, LLC

Reno, Nevada
January 19, 2021





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Lyon County School District
Yerington, Nevada

Report on Compliance for Each Major Federal Program

We have audited the Lyon County School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Silva Scirene & Assoc, LLC

Reno, Nevada
January 19, 2021



LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

PAGE 1 OF 2

FEDERAL/PASS THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the State of Nevada Department of Education</i>			
Individuals with Disabilities Education Act (IDEA) - Special Education Cluster:			
IDEA, Part B - Grants to States	84.027	20-639-10	\$ 1,555,080
IDEA - District Improvement Grant	84.027	20-641-10	84,091
IDEA - Special Project	84.027	20-667-10	132,769
IDEA - Early Childhood	84.173	20-665-10	45,199
Total Special Education Cluster			1,817,139
Title I, Part A - Grants to Local Educational Agencies	84.010	20-633-10	1,363,704
Title I, 1003 (a) School Improvement	84.010A	20-624-10	198,426
Title I, Part C - Education of Migrant Children	84.011A	20-629-10	36,204
Title I, Part D - Neglected and Delinquent	84.010	20-650-10	12,538
Career and Technical Education (Perkins IV)	84.048	20-631-10	111,662
Perkins Special Populations	84.048	20-654-10	11,230
McKinney-Vento Homeless Assistance	84.196A	20-688-10	80,175
Title IV, Part B - Twenty-First Century Community Learning Centers	84.287	20-770-10	105,406
GEAR UP	84.334s	20-610-10	72,952
Title III, Part A - English Language Acquisition	84.365A	20-658-10	44,098
Title III, Part B - Immigrant	84.365A	20-659-10	14,141
Title II, Part A - Teacher/Principal Training & Recruiting	84.367	20-709-10	201,920
Title IV, Part A - Student Support and Academic Enrichment	84.424A	20-715-10	188,130
<i>Total Passed through the State of Nevada Department of Education</i>			4,257,725
Total U.S. Department of Education			4,257,725

Continued on next page.

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

PAGE 2 OF 2

FEDERAL/PASS THROUGH GRANTOR AND PROGRAM	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AMOUNT
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the State of Nevada Department of Agriculture</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 683,060
National School Lunch Program	10.555	N/A	1,803,453
National School Lunch Program - Commodities	10.555	N/A	584,820
Total Child Nutrition Cluster			3,071,333
 NSLP Equipment Grant	 10.579	 N/A	 23,289
<i>Passed through Lyon County</i>			
Schools and Roads - Grants to Counties	10.666	N/A	103,517
 <i>Total U.S. Department of Agriculture</i>			 3,198,139
 <i>Total Federal Financial Assistance</i>			 <u>\$ 7,455,864</u>

See accompanying notes.

LYON COUNTY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2020

NOTE 1 – REPORTING ENTITY

The accompanying *Schedule of Expenditures of Federal Awards* presents the expenditure activity of all federal award programs of the Lyon County School District (the District) for the year ended June 30, 2020. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the *Schedule of Expenditures of Federal Awards*.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying *Schedule of Expenditures of Federal Awards* is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of CFDA #10.555 – National School Lunch Program Commodities represents the fair value of commodity food received by the District for the year ended June 30, 2020.

NOTE 3 – INDIRECT COST RATE

The Lyon County School District has elected not to use an indirect cost rate.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report issued:	Unmodified
Internal Control over Financial Reporting	
Material weaknesses identified:	Yes
Significant deficiencies identified:	None reported
Noncompliance material to financial statements noted:	None

Federal Awards

Internal Control over Major Programs	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a):	No

Major Programs

The major programs for the year ended June 30, 2020 are as follows:

Special Education Cluster (CFDA 84.027; CFDA 84.173)
Title I, Part A (CFDA 84.010)

The threshold for distinguishing Types A and B programs was \$750,000.
Lyon County School District was not a low-risk auditee.

LYON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding #2020-1 - Material Weakness

During the year ended June 30, 2020, certain accounting tasks were not being completed routinely, timely or accurately. While not intending to be a complete listing of such tasks, the following were deemed to be most significant:

- Monthly bank reconciliations were not being completed accurately or timely, and were not being reviewed by District management.
- The capital asset register was not being updated for new asset acquisitions.
- Procedures for analysis and reconciliation of federal and state grant revenues and expenditures could be strengthened through better coordination between the Business office and the Grants office.
- The transactions related to the District's medical self-insurance (group health insurance) were not recorded in the District's general ledger until the year-end financial audit.

A complete bank reconciliation compares the bank statement balance to the respective balances in the general ledger accounts. Bank reconciliations reduce the risk that errors on the part of the bank or District will remain undetected. This is a repeat of the prior year finding and relates to the District's operating accounts and the schools' student activity accounts.

The capital asset register is the basis for the capital assets reported on the district-wide financial statements. A capital asset register that is properly maintained can ensure that capital assets and the related depreciation expense are fairly stated and presented.

The Business and Finance office oversees accounting for federal and state grants. Routine analysis of grant revenue and expenditures ensures that reimbursement requests are being completed accurately and timely, thereby assisting in maintaining proper levels of cash flow.

The District contracts with a third-party provider for the payment of health claims and the administration of the group health insurance program. Nevertheless, transactions should have been recorded in the District's general ledger throughout the year as opposed to being recorded during the conduct of the annual financial audit.

When accounting tasks such as those described above are not routinely, timely, or accurately completed, certain risks to the District may be increased beyond an acceptable level. Those risks typically include: failure to properly safeguard District assets; noncompliance with contracts and grants; failure to adequately prepare for the annual audit; failure to meet reporting deadlines; and material misstatement of financial reports.

District's Response to the Finding: Please see following page.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.



Superintendent
Wayne Workman

Deputy Superintendent
Tim Logan

Board President
Neal McIntyre

Board Clerk
Holly Villines

Board of Trustees
Phil Cowee
Kimber LA Crabtree
Barbara Jones
Sherry Parsons
Bridget Peterson

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January 20, 2021

To whom it may concern:

As we have previously made aware, the District's systems were compromised by a ransomware attack in July 2019. We reiterate that no data was stolen but our systems were compromised from that attack. As of the date of this notice, we are recovered from that incident but the affects and recovery of the business office were far reaching into fiscal year 19-20. Recovery was further disrupted by untimely vacancies.

As time and resources were spent on recovery and training of new personnel, our office used every available resource to maintain the most essential business office functions and complete them all as timely as possible.

Bank reconciliations – reconfiguration of account structure is still in process. Start delayed by lengthier-than-anticipated recovery and office disruption from Covid-19.

Capital asset register – regular updates were delayed to focus on items of a critical nature with pressing deadlines. Most updates to register are now complete.

Federal and State Grants – New Grants Manager and restructuring of Grants Office has already increased coordination between maintenance of grants and oversight by business office.

District self-insured Medical – Transactions were monitored on a weekly basis but were not transferred timely to District Ledgers. As of January 1, 2021, the District is no longer self-insured for medical insurance.

From fiscal year-end till now, all processes have been substantially improved and we continue to strive for increased accuracy and improved timeliness.

Thank you.

Spencer Winward
Finance Manager/Comptroller
Lyon County School District

LYON COUNTY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2020

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding #2019-1 - Material Weakness

Monthly bank reconciliations are not being completed accurately or timely, and are not being reviewed by District management.

This condition existed during the entire year audited, and includes not only the District's operating accounts, but the Student Activity Fund accounts as well. A complete reconciliation compares the bank statement balance to the respective balances in the general ledger accounts. Accurate and timely bank reconciliations reduce the risk that errors on the part of the bank or District will remain undetected. Without accurate bank reconciliations general ledger accounts may be inaccurate and incomplete increasing the likelihood of material misstatement of financial reports, or noncompliance with laws, regulations, contracts and grants. Bank reconciliations are also an important internal control for detecting fraudulent payments.

District's Original Response to the Finding (included in the June 30, 2019 audit):

In early July 2019, the District's systems were the victim of a ransomware attack. Although the attack did not result in the exposure or theft of District information, it disrupted the District's business operations, including its email, internet, and phone lines, which prevented the business and finance department from completing certain day-to-day tasks. Additionally, some of our financial data for fiscal year 2019 was corrupted disrupting and delaying the reconciliation process. This was exacerbated by untimely vacancies in the business office.

To facilitate timely reconciliations in the future, we are reconfiguring our cash fund account structure to streamline the systems. Our account structure was set up in a cumbersome manner upon implementation of our current accounting software. Streamlining this will bring it into line with other area districts practices who use the same software.

Status as of June 30, 2020:

We noted there was not sufficient progress related to this finding; therefore, it has been repeated this year and reported as *Finding #2020-1*.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no audit findings relative to the major federal award program audit reported for the year ended June 30, 2019.

LYON COUNTY SCHOOL DISTRICT

INDEPENDENT AUDITORS' COMMENTS

JUNE 30, 2020

STATUTE COMPLIANCE

Current Year

The required disclosure on compliance with applicable Nevada Revised Statutes and the Nevada Administrative Code is included in Note 12 to the financial statements.

Prior Year

Potential violations due to over-expenditures were also reported in the financial statements for the year ended June 30, 2019.

AUDIT RECOMMENDATIONS

Current Year

Finding #2020-1 has been reported in the Schedule of Findings and Questioned Costs, section B.

Prior Year

Finding #2019-1 Material Weakness was reported in the Schedule of Findings and Questioned Costs, section B, within the audit report for the year ended June 30, 2019. The *District's Response to the Finding* was also included in the report. In connection with the June 30, 2020 audit we noted there was not sufficient progress related to this finding and it is included again in *Finding #2020-1*.